

# Avenue Supermarts

BSE SENSEX 73,320 S&P CNX 22,713

**CMP: INR4,362 TP: INR5,000(+15%) Buy**



Bloomberg	DMART IN
Equity Shares (m)	651
M.Cap.(INRb)/(USDb)	2838.8 / 30.5
52-Week Range (INR)	4950 / 3529
1, 6, 12 Rel. Per (%)	23/7/9
12M Avg Val (INR M)	2240

## Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	688	835	976
EBITDA	51	63	74
Adj. PAT	29	34	39
EBITDA Margin (%)	7.4	7.5	7.6
Adj. EPS (INR)	45	53	60
EPS Gr. (%)	8	17	14
BV/Sh. (INR)	374	427	487

## Ratios

Net D:E	0.1	0.2	0.2
RoE (%)	12.8	13.2	13.1
RoCE (%)	12.1	12.1	11.8
Payout (%)	-	-	-

## Valuations

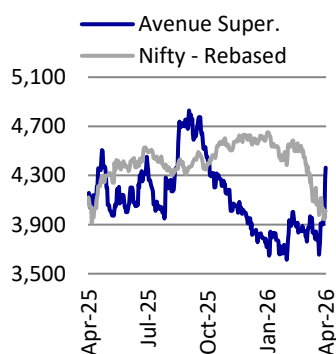
P/E (x)	97.1	82.7	72.6
EV/EBITDA (x)	56.0	45.8	39.2
EV/Sales (X)	4.2	3.5	3.0
Div. Yield (%)	-	-	-
FCF Yield (%)	(0.5)	(0.3)	(0.0)

## Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	74.7	74.7	74.7
DII	8.9	9.1	8.1
FII	8.7	8.7	9.0
Others	7.8	7.5	8.3

FII includes depository receipts

## Stock Performance (1-year)



## Acceleration in store additions to drive growth

- Avenue Supermarts (DMart)'s revenue growth trajectory improved to 19% YoY in 4QFY26 (vs. 15% YoY in 9MFY26), driven by acceleration in store additions (though most of it was back-ended) and likely recovery in SSSG (vs. ~6% in the last few quarters).
- While competitive intensity from Quick Commerce (QC) remains intense in the metros and tier 1 markets, we have maintained that the acceleration in store additions, especially given notable whitespaces in North and East India, remains the key trigger for DMart to revert to a 20%+ YoY revenue growth trajectory.
- The execution on store openings notably improved in FY26 with 85 store openings (vs. 50 in FY25 and the street's expectations of ~60-65 stores).
- DMart added 46 stores in its existing cities while entering 39 new cities (out of which 34 were tier 2+ cities) during FY26, including entry into five new states (namely UP, Haryana, Odisha, Uttarakhand, and Goa) in FY26.
- The throughput in tier 2+ cities would likely be lower than DMart's existing cities, but we believe the cost structure would also be lower, thereby ensuring returns are protected.
- Further, we believe that despite competitive intensity from QC, DMart's gross margins have likely bottomed out in 1QFY26 (up ~5/50bp in 2Q/3QFY26), which could provide further upside to consensus estimates.
- We raise our FY27/28E EBITDA by 5-7% and PAT by ~2-4%, driven by higher store additions (85-90 stores annually). We now build in a CAGR of 19%/20%/16% in DMart's consolidated revenue/EBITDA/PAT over FY26-28.
- **We reiterate our Buy rating on DMart with a revised TP of INR5,000, premised on 45x FY28 EV/EBITDA (implied ~80x FY28 P/E).**

## Acceleration in store additions to fuel growth amid intense competition

- We have maintained that acceleration in store additions remains the key trigger for DMart, given that its high-throughput metro stores are either saturated or are facing intense competition from the QC.
- DMart accelerated store additions by adding 85 stores in FY26 (vs. ~50 in FY25 and higher than the street's expectations of 60-65 stores), taking the total store footprint to 500 stores across 184 cities.
- DMart added 46 stores in its existing cities while entering 39 new cities (out of which 34 were tier 2+ cities) during FY26, including entry into five new states (namely UP, Haryana, Odisha, Uttarakhand, and Goa) in FY26.
- DMart's store expansion in FY26 was fairly balanced between deepening presence in Metro/Tier 1 cities (40 stores, five new cities) and entry into tier 2+ cities (45 stores, 34 new cities).
- In metro/Tier 1 markets (~57% of DMart's store base), the focus remains on operational efficiency measures such as reducing queuing, increasing billing capacity, improving service levels through staffing, and checkout efficiency.
- In contrast, tier 2+ entry is driven by the high resonance of DMart's value-based proposition and the lower competitive presence of QC companies.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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**Growth could revert to 20%+ in FY27; margin likely to have bottomed out**

- Driven by acceleration in store additions to 20%+ (vs. ~13-14% YoY in the past few years), we believe DMart’s revenue growth could accelerate to more than 20% in FY27 (+19% YoY posted in 4QFY26, despite back-ended store additions).
- While the revenue throughput would likely be lower (vs. blended average) in some of the recently opened tier II+ cities, we believe lower competitive intensity bodes well for DMart’s value-focused model.
- We now build in ~19% revenue CAGR over FY26-28, driven by 85-90 annual store additions (~16% CAGR) and likely mid-to-high-single-digit LFL growth.
- Further, we believe that despite competitive intensity from QC, DMart’s gross margins have likely bottomed out in 1QFY26 (up ~5/50bp in 2Q/3QFY26).
- The sharp margin expansion in 3QFY26 was partly aided by GST-led benefits, but we believe a part of the benefit could be sustained as DMart has likely tweaked discounting on certain SKUs, which are not as relevant in QC.
- Additionally, DMart had front-loaded investments on improving service levels in high-throughput Metro/tier 1 cities to tackle the rising competition, and going ahead, the rising share of tier 2 expansion is likely to come at lower costs.
- We build in a modest ~5bp EBITDA margin expansion over FY26-28, with margins still lower than FY25, which could provide upside risks to our estimates.

**Valuation and view**

- Acceleration in store additions continues to remain the key growth trigger for DMart, in our view. We now raise our FY27-28 store additions to 85-90 stores (vs. 70-80 openings earlier), given significant white spaces in densely populated states such as UP, Bihar, and West Bengal.
- While the competitive intensity from QC could remain elevated in the near-to-medium term, we believe DMart’s value-focused model and superior store economics would ensure its competitiveness and customer relevance over the long run, especially in tier 2+ towns, where the potential for growth remains significant.
- We raise our FY27/28E EBITDA by 5-7% and PAT by ~2-4%, driven by higher store additions. We now build in a CAGR of 19%/20%/16% in DMart’s consolidated revenue/EBITDA/PAT over FY26-28, driven by ~16% CAGR in retail store/area and a mid-to-high-single-digit LFL growth.
- **We reiterate our BUY rating on DMart with a revised TP of INR5,000 (earlier INR4,600), premised on 45x FY28 EV/EBITDA (implied ~80x FY28 P/E).**

**Exhibit 1: Valuation based on FY28E EBITDA**

	Methodology	Driver (INR b)	Multiple	Value (INR b)	Value/sh (INR)
EBITDA	FY28 EV/EBITDA	74.1	45	3,299	5,081
Less Net debt				53	81
<b>Equity value</b>				<b>3,246</b>	<b>5,000</b>
Shares o/s (m)				651	
CMP (INR)					4,360
<b>Upside (%)</b>					<b>15</b>

Source: MOFSL, Company

### Pre-quarter update: Strong revenue print, up 19% YoY in 4QFY26

- DMart's 4QFY26 standalone revenue at INR172b grew **19% YoY** and was stronger than both our last published estimate of ~15% YoY and pre-quarter expectations of ~16%.
- DMart's store additions accelerated with 58 store openings in 4Q (~85 in FY26 vs. 50 in FY25), taking the count to 500 stores.
- The recently opened new stores would not have materially contributed to the revenue growth in 4Q, and we believe 19% YoY growth in 4Q would also have been driven by recovery in SSSG (from ~5.6% in 3QFY26).
- With an acceleration in DMart's store openings (+20% YoY vs. ~13-14% in the past few years), we expect DMart's revenue growth at 20%+ YoY in FY27.
- **Productivity improved despite back-ended additions.**
  - Annualized revenue/ store grew ~1% YoY to INR1.46b.
  - Annualized revenue/sqft. (calculated) at INR35.3k/sqft, also grew 2% YoY on our estimate.
- DMart's gross margin improved in 3QFY26, driven partially by GST-related benefits. Despite intense competition from the QC companies, we believe DMart's gross margin has likely bottomed out in 2QFY26.
- However, accelerated store additions could weigh on near-term EBITDA margins due to the upfront store opening-related costs.
- DMart's FY26 revenue grew ~16% YoY to INR670b, driven by ~20% YoY store additions and likely mid-single digit SSSG.

**Exhibit 2: DMart reported ~19% YoY growth in standalone revenue in 4QFY26 (vs. expectations of ~15-16% YoY)**

DMart standalone	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	YoY	QoQ	4QFY26E	vs. est	FY25	FY26	% YoY
<b>Revenue (INR b)</b>	<b>144.6</b>	<b>159.3</b>	<b>162.2</b>	<b>176.1</b>	<b>172.0</b>	<b>19%</b>	<b>-2%</b>	<b>166.6</b>	<b>3%</b>	<b>577.9</b>	<b>669.7</b>	<b>16%</b>
<i>YoY growth</i>	16.7	16.2	15.4	13.2	19.0			15.2		16.7	15.9	
<b>Store count</b>	<b>415</b>	<b>424</b>	<b>432</b>	<b>442</b>	<b>500</b>	<b>20%</b>	<b>13%</b>	<b>475</b>	<b>5%</b>	<b>415</b>	<b>500</b>	<b>20%</b>
Store adds	28	9	8	10	58	107%	480%	33	76%	50	85	
<i>YoY growth</i>	14%	14%	15%	14%	20%					14%	20%	
<b>Total Area (m sqft)*</b>	<b>17.2</b>	<b>17.6</b>	<b>17.9</b>	<b>18.3</b>	<b>20.6</b>	<b>20%</b>	<b>13%</b>	<b>19.6</b>	<b>5%</b>	<b>17.2</b>	<b>20.6</b>	<b>20%</b>
<i>YoY growth</i>	14%	14%	13%	14%	20%					14%	20%	
<b>Annualized Rev/Store (INR m)</b>	<b>1,443</b>	<b>1,519</b>	<b>1,516</b>	<b>1,612</b>	<b>1,461</b>	<b>1%</b>	<b>-9%</b>	<b>1,454</b>	<b>1%</b>	<b>1,482</b>	<b>1,464</b>	<b>-1%</b>
<i>YoY growth</i>	3%	2%	1%	-1%	1%					3%	-1%	
<b>Annualized rev/sq ft (INR*)</b>	<b>34,744</b>	<b>36,626</b>	<b>36,549</b>	<b>38,923</b>	<b>35,382</b>	<b>2%</b>	<b>-9%</b>	<b>35,145</b>	<b>1%</b>	<b>35,728</b>	<b>35,433</b>	<b>-1%</b>
<i>YoY growth</i>	3%	2%	1%	0%	2%					3%	-1%	

Source: Company, MOFSL

### Acceleration in store additions to fuel 20%+ revenue growth in FY27

- DMart's response to QC remains aligned with its core operating model rather than involving any structural shift toward delivery-led formats. The company is reallocating growth toward markets where its EDLP and high-throughput model retains a clear advantage. **In metro and Tier 1 markets**, the approach is operational, improving billing capacity and reducing checkout friction through increased service levels and staffing. In contrast, expansion is being accelerated in **Tier II+ cities**, where competition from QC is lower, and DMart's value-focused model is a better fit.
- FY26 marked a clear inflection point in expansion, with 85 store additions (vs. ~50 in FY25 and street estimates of 60-65), the highest in the company's history, consistent with management's stated intent to accelerate store rollout as a key

competitive lever. The composition of growth is equally notable, with ~53% of additions (45 stores) in Tier II+ markets, alongside entry into 39 new cities (of which 34 were Tier II+ cities), expanding the footprint from 145 to 184 cities.

- Management commentary in the 2025 Analyst Meet highlighted key structural enablers behind the acceleration. There is a sharper focus on real estate acquisition, particularly in North India, with senior leadership allocating disproportionate time to this area. In parallel, openness to moderate leverage for property acquisition addresses earlier capital constraints. Collectively, this suggests the current expansion pace is sustainable and indicative of a multi-year scaling cycle rather than a one-off step-up.

**Exhibit 3: Decomposition of D-Mart's store additions in FY26**

	FY25		Additions in		FY26		Total Additions in FY26	
	Stores	Cities	Existing cities	New Cities	Stores	Cities	Stores	Cities
Metro	157	7	22	-	179	7	22	-
Tier-1	87	21	13	5	105	26	18	5
Tier 2+	171	117	11	34	216	151	45	34
<b>Grand Total</b>	<b>415</b>	<b>145</b>	<b>46</b>	<b>39</b>	<b>500</b>	<b>184</b>	<b>85</b>	<b>39</b>

Source: Company, MOFSL

**DMart expands its presence with entry in five new states, including UP**

During FY26, core geographies, Maharashtra and Gujarat, added 12 and 9 stores, respectively, taking their combined base to ~203 (40%+ of the total network). This indicated continued expansion but at a moderating pace as penetration deepens. In contrast, newer regions are scaling faster. DMart added 10 stores across eight new cities in Karnataka (to reach 50 stores), while it added nine stores across six new cities in Tamil Nadu (to reach 35 stores). The high share of new city entry highlights low penetration and a long runway, with growth increasingly driven by geographic expansion even in DMart's relatively stronger markets rather than densification in existing cities.

**Exhibit 4: State wise decomposition of D-Mart's store additions in FY26**

	FY25		Additions in		FY26		Total Additions in FY26	
	Stores	Cities	Existing cities	New Cities	Stores	Cities	Stores	Cities
Maharashtra	116	34	11	1	128	35	12	1
Gujarat	66	21	6	3	75	24	9	3
Telangana	45	10	2	1	48	11	3	1
Andhra Pradesh	41	19	3	2	46	21	5	2
Karnataka	40	9	2	8	50	17	10	8
Tamil Nadu	26	12	3	6	35	18	9	6
Madhya Pradesh	24	13	2	4	30	17	6	4
Rajasthan	22	10	4	3	29	13	7	3
Punjab	19	11	3	2	24	13	5	2
NCR	9	1	9	-	18	1	9	-
Chhattisgarh	6	4	1	1	8	5	2	1
Daman	1	1	-	-	1	1	-	-
Uttar Pradesh	-	-	-	3	3	3	3	3
Haryana	-	-	-	2	2	2	2	2
Goa	-	-	-	1	1	1	1	1
Odisha	-	-	-	1	1	1	1	1
Uttarakhand	-	-	-	1	1	1	1	1
<b>Grand Total</b>	<b>415</b>	<b>145</b>	<b>46</b>	<b>39</b>	<b>500</b>	<b>184</b>	<b>85</b>	<b>39</b>

Source: Company, MOFSL

### Expanding presence in North India with entry into states such as UP and Haryana

North India is emerging as the next leg of expansion for DMart. It doubled its presence in NCR from 9 to 18 stores (doubling down in Ghaziabad and Noida), reflecting aggressive densification within a single high-priority metro. DMart also added 5 and 7 stores in Punjab and Rajasthan, respectively, indicating steady regional scaling. Additionally, DMart entered five new states—Uttar Pradesh (3 stores, ex- of Noida), Haryana (2 stores), Odisha (1), Goa (1), and Uttarakhand (1) during FY26, collectively adding 8 stores. We believe there is significant whitespace available for DMart, given its presence remains thin in densely populated states such as UP, Bihar, and West Bengal.

**Exhibit 5: Historical penetration of D-Mart’s store network**

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	YoY	since 2019
Maharashtra	70	76	74	88	99	109	116	128	12	58
Gujarat	34	37	42	48	55	60	66	75	9	41
Karnataka	16	20	21	29	29	32	40	50	10	34
Andhra Pradesh	11	17	21	23	29	34	41	46	5	35
Telangana	21	24	27	31	36	41	45	48	3	27
Madhya Pradesh	6	11	14	17	19	21	24	30	6	24
Chhattisgarh	3	5	5	6	6	6	6	8	2	5
Rajasthan	5	7	8	10	12	17	22	29	7	24
NCR	1	1	2	7	8	9	9	18	9	17
Punjab	4	5	7	9	11	13	19	24	5	20
Tamil Nadu	4	10	12	15	19	22	26	35	9	31
Daman	1	1	1	1	1	1	1	1	0	0
Uttar Pradesh								3	3	3
Odisha								1	1	1
Haryana								2	2	2
Uttarakhand								1	1	1
Goa								1	1	1
<b>Total</b>	<b>176</b>	<b>214</b>	<b>234</b>	<b>284</b>	<b>324</b>	<b>365</b>	<b>415</b>	<b>500</b>	<b>85</b>	<b>324</b>

Source: MOFSL, Company

### Revenue growth to accelerate; gross margin likely bottomed out

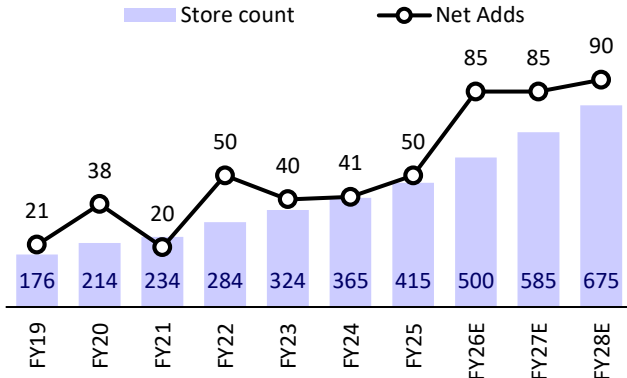
- Driven by acceleration in store additions (20%+ YoY, vs. ~13-14% YoY in the past few years), we believe DMart’s revenue growth could accelerate to 20%+ in FY27. While the store additions in tier 2+ markets and higher salience of newer stores could lead to a modest reduction in blended throughput, we believe LFL growth could pick up over the next few quarters, driven by a potential rise in inflation and as the new stores with limited competition from QC ramp up.
- Further, we believe DMart’s gross margins likely bottomed out in 1QFY26 after a phase of elevated competitive intensity. We note that DMart’s gross margin expanded ~5bp/50bp YoY in 2Q/3QFY26. The improvement in 3QFY26 was partly aided by GST-related benefits, however, we believe DMart has also tweaked its discounting policy on certain SKUs, where in QC is not as competitive and gross margin improvements could sustain in the coming quarters. Competitive pressure from QC also appears to be moderating at the margins, as QC shifts its focus toward profitability after a period of aggressive discounting. This in our view, reduces the risk of further margin compression for DMart.

- On costs, investments towards improving service levels (staffing, checkout capacity) in high-throughput metro stores have largely been absorbed, limiting incremental cost headwinds. The cost base in tier 2+ cities is also likely to be lower (vs. metros/tier 1), which should lead to likely bottoming of EBITDA margins, with potential upside risks to our estimates.

**Exhibit 6: Summary of the revisions to our consolidated estimates**

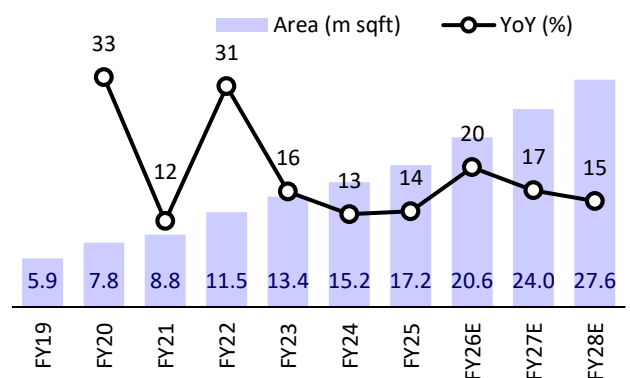
	FY26E	FY27E	FY28E
<b>Revenue (INR b)</b>			
Old	683	801	928
Actual/New	688	835	976
Change (%)	0.8	4.4	5.1
<b>Gross Profit (INR b)</b>			
Old	102	121	140
Actual/New	103	126	147
Change (%)	0.9	4.2	5.1
<b>Gross margin (%)</b>			
Old	15.0	15.1	15.1
Actual/New	15.0	15.0	15.0
Change (bp)	1bps	-3bps	-1bps
<b>EBITDA (INR b)</b>			
Old	51	60	70
Actual/New	51	63	74
Change (%)	1.5	4.9	6.5
<b>EBITDA margin (%)</b>			
Old	7.4	7.5	7.5
Actual/New	7.4	7.5	7.6
Change (bp)	5bps	4bps	9bps
<b>Net Profit (INR b)</b>			
Old	29	34	38
Actual/New	29	34	39
Change (%)	1.1	2.1	3.6
<b>EPS (INR)</b>			
Old	44.4	51.6	58.0
Actual/New	44.9	52.7	60.1
Change (%)	1.1	2.1	3.6

**Exhibit 7: Store additions to remain elevated over FY26-28**



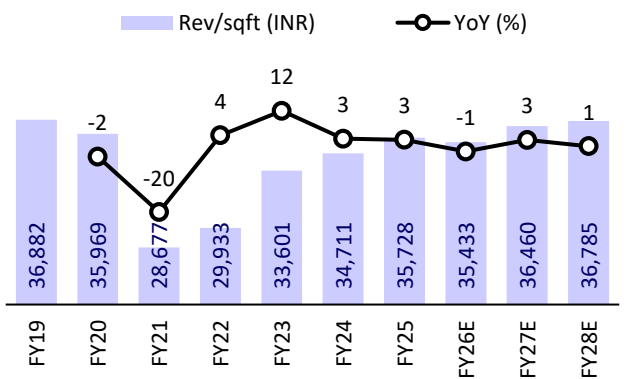
Source: MOFSL, Company

**Exhibit 8: Expect ~16% retail area CAGR over FY26-28**



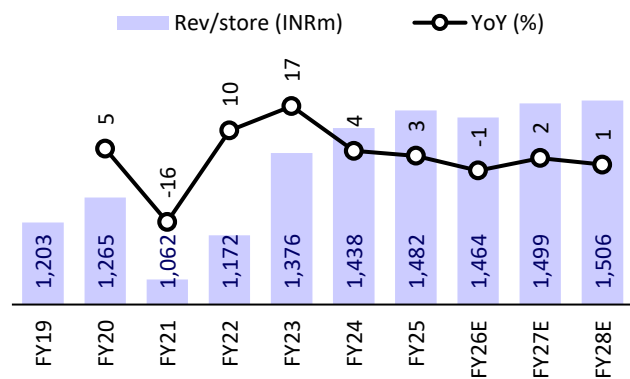
Source: MOFSL, Company

**Exhibit 9: Productivity to clock a modest 2% CAGR over FY26-28, owing to a younger store mix**



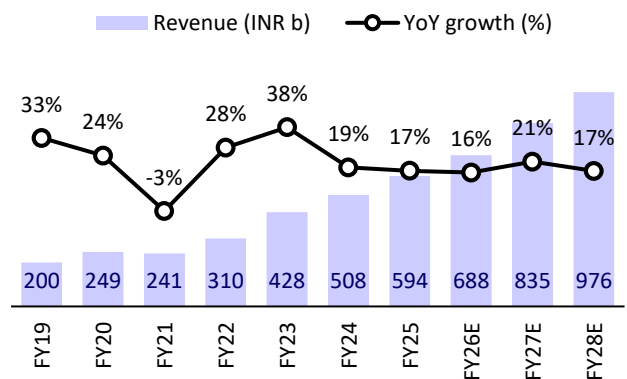
Source: MOFSL, Company

**Exhibit 10: Revenue per store to grow ~1% annually**



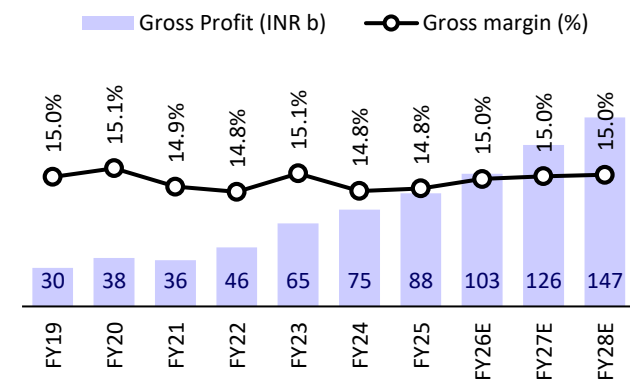
Source: MOFSL, Company

**Exhibit 11: Expect ~19% consol. revenue CAGR over FY26-28**



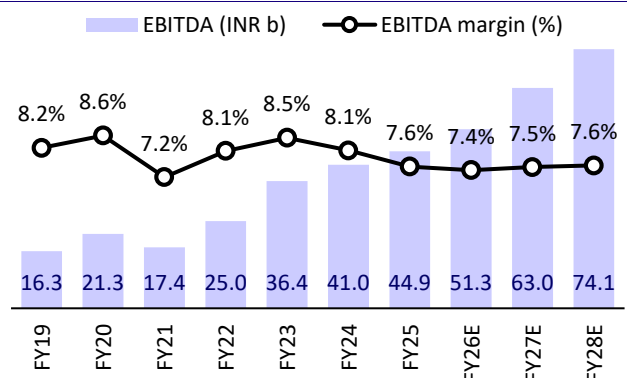
Source: MOFSL, Company

**Exhibit 12: Expect ~19% gross profit CAGR over FY26-28**



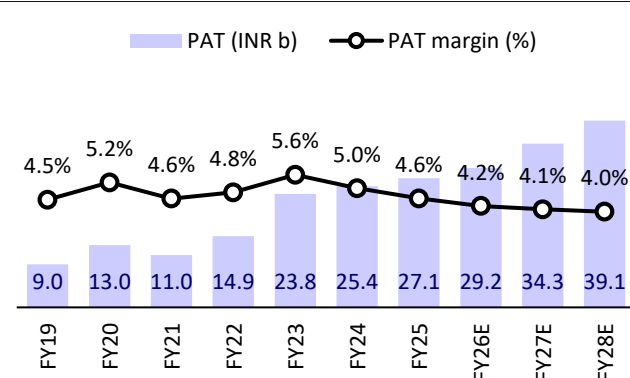
Source: MOFSL, Company

**Exhibit 13: Expect 20% EBITDA CAGR over FY26-28**



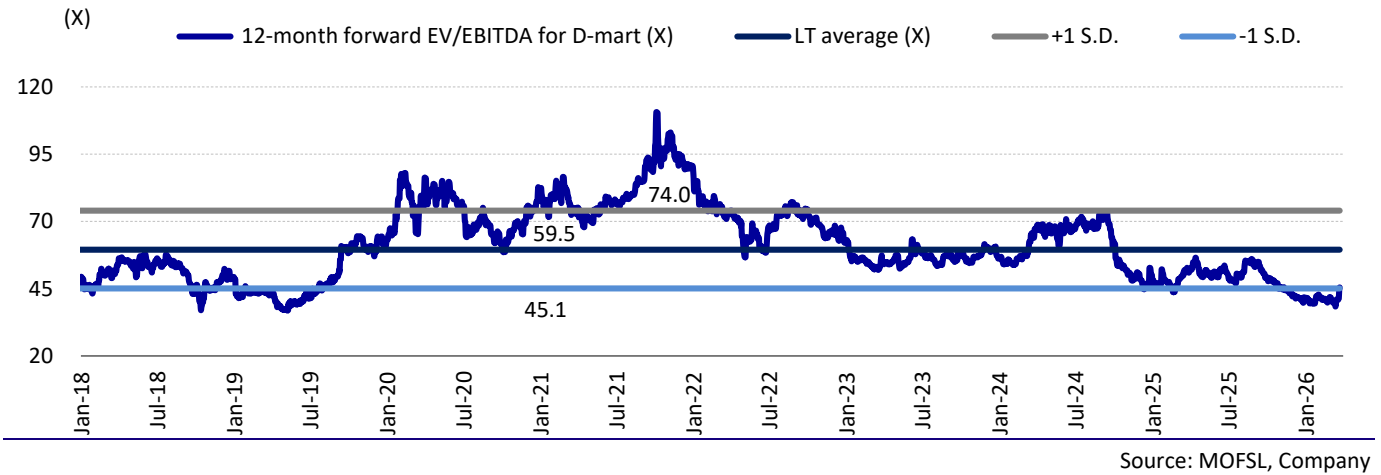
Source: MOFSL, Company

**Exhibit 14: Expect 16% PAT CAGR over FY26-28**

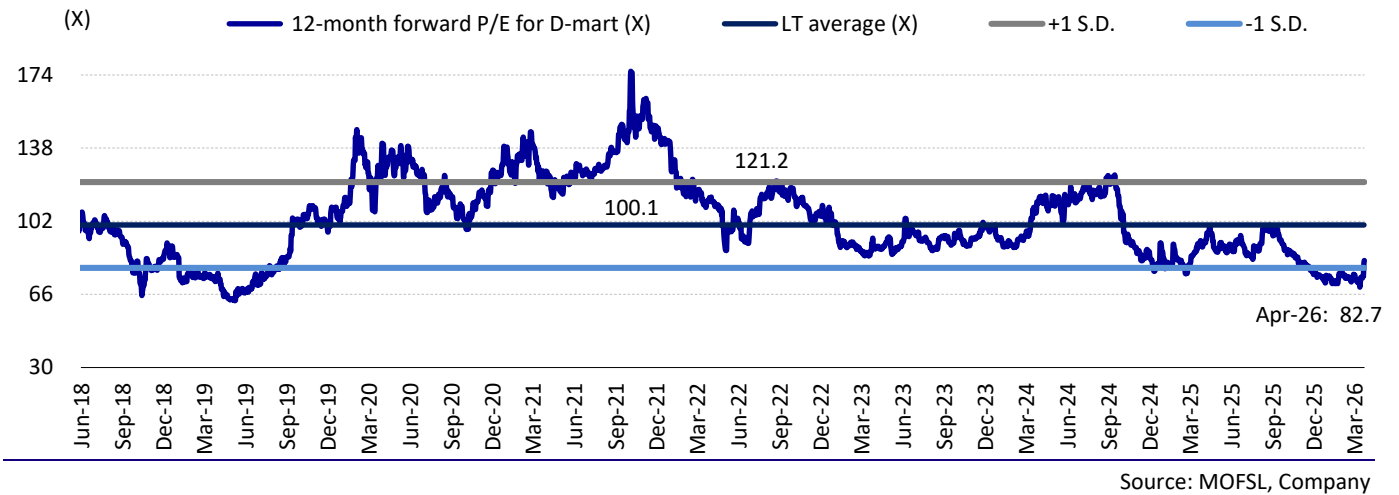


Source: MOFSL, Company

**Exhibit 15: DMART is currently trading at ~45.5x (~23% below its LT average) one-year forward rolling EV/EBITDA**



**Exhibit 16: DMART is currently trading at ~83x (~17% below its LT average) one-year forward rolling P/E**



## Financials and Valuations (Standalone)

### Standalone - Income Statement

(InR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Total Income from Operations</b>	<b>237,872</b>	<b>303,525</b>	<b>418,333</b>	<b>495,329</b>	<b>577,898</b>	<b>669,680</b>	<b>813,050</b>	<b>949,064</b>
Change (%)	-3.6	27.6	37.8	18.4	16.7	15.9	21.4	16.7
Raw Materials	203,563	260,527	357,752	425,467	496,163	574,268	696,784	813,348
<b>Gross Profit</b>	<b>34,309</b>	<b>42,998</b>	<b>60,580</b>	<b>69,863</b>	<b>81,735</b>	<b>95,413</b>	<b>116,266</b>	<b>135,716</b>
Margin (%)	14.4	14.2	14.5	14.1	14.1	14.2	14.3	14.3
Employees Cost	4,951	5,482	6,482	7,857	10,133	13,528	16,668	19,456
Other Expenses	11,940	12,501	17,505	21,012	26,175	29,968	36,181	42,233
<b>Total Expenditure</b>	<b>220,455</b>	<b>278,510</b>	<b>381,739</b>	<b>454,336</b>	<b>532,471</b>	<b>617,763</b>	<b>749,632</b>	<b>875,037</b>
% of Sales	92.7	91.8	91.3	91.7	92.1	92.2	92.2	92.2
<b>EBITDA</b>	<b>17,417</b>	<b>25,015</b>	<b>36,594</b>	<b>40,994</b>	<b>45,427</b>	<b>51,917</b>	<b>63,418</b>	<b>74,027</b>
Margin (%)	7.32	8.24	8.75	8.28	7.86	7.75	7.80	7.80
Depreciation	3,714	4,211	5,433	6,328	7,758	9,577	12,378	15,261
<b>EBIT</b>	<b>13,704</b>	<b>20,805</b>	<b>31,161</b>	<b>34,666</b>	<b>37,669</b>	<b>42,340</b>	<b>51,040</b>	<b>58,766</b>
Int. and Finance Charges	345	396	481	443	578	1,270	3,261	4,901
Other Income	2,089	1,409	1,631	1,891	1,740	1,303	1,372	1,433
<b>PBT bef. EO Exp.</b>	<b>15,448</b>	<b>21,817</b>	<b>32,312</b>	<b>36,113</b>	<b>38,832</b>	<b>42,373</b>	<b>49,151</b>	<b>55,298</b>
<b>PBT after EO Exp.</b>	<b>15,448</b>	<b>21,817</b>	<b>32,312</b>	<b>36,113</b>	<b>38,832</b>	<b>42,373</b>	<b>49,151</b>	<b>55,298</b>
Total Tax	3,795	5,656	6,748	9,165	9,560	10,742	12,371	13,919
Tax Rate (%)	24.6	25.9	20.9	25.4	24.6	25.4	25.2	25.2
<b>Reported PAT</b>	<b>11,653</b>	<b>16,162</b>	<b>25,564</b>	<b>26,949</b>	<b>29,272</b>	<b>31,631</b>	<b>36,780</b>	<b>41,380</b>
<b>Adjusted PAT</b>	<b>11,653</b>	<b>16,162</b>	<b>25,564</b>	<b>26,949</b>	<b>29,272</b>	<b>31,631</b>	<b>36,780</b>	<b>41,380</b>
Change (%)	-13.7	38.7	58.2	5.4	8.6	8.1	16.3	12.5

### Standalone - Balance Sheet

(InR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	6,478	6,478	6,483	6,507	6,507	6,507	6,507	6,507
Total Reserves	116,575	132,763	158,543	186,299	215,794	247,426	284,206	325,585
<b>Net Worth</b>	<b>123,053</b>	<b>139,241</b>	<b>165,025</b>	<b>192,806</b>	<b>222,302</b>	<b>253,933</b>	<b>290,713</b>	<b>332,093</b>
Total Loans	-	-	-	-	-	15,000	30,000	45,000
Lease Liabilities	2,955	4,159	4,395	4,637	6,927	16,530	23,905	30,228
Deferred Tax Liabilities	519	648	785	940	1,152	1,152	1,152	1,152
<b>Capital Employed</b>	<b>126,527</b>	<b>144,049</b>	<b>170,205</b>	<b>198,384</b>	<b>230,380</b>	<b>286,614</b>	<b>345,769</b>	<b>408,472</b>
Gross Block	79,693	104,795	130,122	157,760	192,768	253,968	315,168	379,968
Less: Accum. Deprn.	12,485	16,508	21,757	27,668	34,839	44,416	56,794	72,054
<b>Net Fixed Assets</b>	<b>67,208</b>	<b>88,287</b>	<b>108,365</b>	<b>130,092</b>	<b>157,929</b>	<b>209,552</b>	<b>258,374</b>	<b>307,913</b>
Right to use assets	<b>8,473</b>	<b>11,465</b>	<b>11,465</b>	<b>11,465</b>	<b>11,465</b>	<b>11,465</b>	<b>11,465</b>	<b>11,465</b>
Capital WIP	10,062	10,731	8,289	9,300	10,905	10,905	10,905	10,905
<b>Total Investments</b>	<b>15,108</b>	<b>17,909</b>	<b>9,769</b>	<b>9,642</b>	<b>12,553</b>	<b>12,553</b>	<b>12,553</b>	<b>12,553</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>44,085</b>	<b>37,112</b>	<b>56,013</b>	<b>66,628</b>	<b>67,528</b>	<b>77,568</b>	<b>93,023</b>	<b>111,052</b>
Inventory	21,673	25,869	30,556	37,234	48,055	55,067	63,951	71,307
Account Receivables	721	2,309	2,466	3,933	3,485	3,853	4,678	5,460
Cash and Bank Balance	14,320	2,843	13,728	5,599	3,313	3,438	6,521	13,731
Loans and Advances	7,371	6,091	9,264	19,862	12,676	15,211	17,872	20,553
<b>Curr. Liability &amp; Prov.</b>	<b>9,937</b>	<b>9,991</b>	<b>12,231</b>	<b>17,277</b>	<b>18,534</b>	<b>23,963</b>	<b>29,085</b>	<b>33,950</b>
Account Payables	5,655	5,312	7,013	9,528	10,042	11,407	13,840	16,156
Other Current Liabilities	4,059	4,345	4,758	7,195	8,072	11,719	14,228	16,609
Provisions	222	334	461	555	421	837	1,016	1,186
<b>Net Current Assets</b>	<b>34,148</b>	<b>27,121</b>	<b>43,782</b>	<b>49,351</b>	<b>48,994</b>	<b>53,605</b>	<b>63,938</b>	<b>77,101</b>

## Financials and Valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>								
<b>EPS (diluted from FY17)</b>	<b>18.0</b>	<b>24.9</b>	<b>39.4</b>	<b>41.6</b>	<b>45.2</b>	<b>48.8</b>	<b>56.7</b>	<b>63.8</b>
Cash EPS (diluted from FY17)	24.6	32.6	49.7	53.3	59.3	66.0	78.8	90.8
BV/Share (diluted from FY17)	197.2	223.1	264.4	308.9	356.2	406.9	465.8	532.1
<b>Valuation (x)</b>								
P/E	242.4	174.8	110.6	104.9	96.6	89.4	76.8	68.3
Cash P/E	177.1	133.6	87.8	81.8	73.5	66.0	55.4	48.0
P/BV	22.1	19.5	16.5	14.1	12.2	10.7	9.4	8.2
EV/Sales	11.4	9.0	6.5	5.5	4.7	4.1	3.4	2.9
EV/EBITDA	154.7	108.1	73.8	66.1	59.7	52.7	43.5	37.4
Dividend Yield (%)	-	-	-	-	-	-	-	-
FCF per share	-9.3	-15.5	8.8	0.9	-12.0	-20.2	-8.8	3.1
<b>Return Ratios (%)</b>								
RoE	9.9	12.3	16.8	15.1	14.1	13.3	13.5	13.3
RoCE	8.6	11.4	15.8	14.1	13.3	12.3	12.1	11.7
RoIC	12.7	15.4	19.6	16.6	15.0	13.6	13.3	12.8
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	3.0	2.9	3.2	3.1	3.0	2.6	2.6	2.5
Asset Turnover (x)	1.9	2.1	2.5	2.5	2.5	2.3	2.4	2.3
Inventory (Days)	39	36	31	32	35	35	34	32
Debtor (Days)	1	3	2	3	2	2	2	2
Creditor (Days)	10	7	7	8	7	7	7	7
<b>Leverage Ratio (x)</b>								
Current Ratio	4.4	3.7	4.6	3.9	3.6	3.2	3.2	3.3
Interest Cover Ratio	39.7	52.5	64.8	78.3	65.2	33.3	15.6	12.0
Net Debt/Equity	(0.2)	(0.1)	(0.1)	(0.1)	(0.0)	0.1	0.1	0.1

### Standalone - Cash Flow

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	15,448	21,817	32,312	36,113	38,832	42,373	49,151	55,298
Depreciation	3,714	4,211	5,433	6,328	7,758	9,577	12,378	15,261
Interest & Finance Charges	345	396	481	443	578	1,270	3,261	4,901
Direct Taxes Paid	(2,561)	(5,528)	(7,001)	(7,304)	(9,456)	(10,742)	(12,371)	(13,919)
(Inc)/Dec in WC	(1,203)	(6,483)	(3,015)	(6,490)	(10,351)	(4,486)	(7,250)	(5,954)
<b>CF from Operations</b>	<b>15,742</b>	<b>14,413</b>	<b>28,210</b>	<b>29,091</b>	<b>27,360</b>	<b>37,992</b>	<b>45,169</b>	<b>55,588</b>
Others	(1,887)	(1,261)	(1,430)	(1,661)	(1,387)	(1,303)	(1,372)	(1,433)
<b>CF from Operating incl EO</b>	<b>13,855</b>	<b>13,152</b>	<b>26,780</b>	<b>27,430</b>	<b>25,973</b>	<b>36,689</b>	<b>43,797</b>	<b>54,155</b>
(Inc)/Dec in FA	(19,677)	(22,817)	(21,290)	(26,850)	(33,455)	(49,300)	(49,300)	(52,200)
<b>Free Cash Flow</b>	<b>(5,822)</b>	<b>(9,666)</b>	<b>5,489</b>	<b>580</b>	<b>(7,482)</b>	<b>(12,611)</b>	<b>(5,503)</b>	<b>1,955</b>
(Pur)/Sale of Investments	(1,150)	9,200	(3,867)	(2,092)	8,603	-	-	-
Others	9,272	696	735	3,100	1,630	1,303	1,372	1,433
<b>CF from Investments</b>	<b>(11,555)</b>	<b>(12,922)</b>	<b>(24,422)</b>	<b>(25,842)</b>	<b>(23,222)</b>	<b>(47,997)</b>	<b>(47,928)</b>	<b>(50,767)</b>
Issue of Shares	-	-	155	729	-	-	-	-
Inc/(Dec) in Debt	(377)	-	-	-	-	15,000	15,000	15,000
Interest Paid	(364)	(393)	(476)	(443)	(578)	(1,270)	(3,261)	(4,901)
Dividend Paid	-	-	-	-	-	-	-	-
Others	(661)	(815)	(1,004)	(1,153)	(1,461)	(2,297)	(4,525)	(6,277)
<b>CF from Fin. Activity</b>	<b>(1,403)</b>	<b>(1,208)</b>	<b>(1,324)</b>	<b>(867)</b>	<b>(2,038)</b>	<b>11,432</b>	<b>7,213</b>	<b>3,822</b>
<b>Inc/Dec of Cash</b>	<b>897</b>	<b>(977)</b>	<b>1,034</b>	<b>722</b>	<b>713</b>	<b>125</b>	<b>3,083</b>	<b>7,210</b>
Opening Balance (without bank bal.)	915	1,812	835	1,868	2,589	3,302	3,427	6,510
Other bank bal and bank overdrawn	12,508	2,009	11,860	3,008	11	11	11	11
<b>Closing Balance (including bank bal)</b>	<b>14,320</b>	<b>2,843</b>	<b>13,728</b>	<b>5,598</b>	<b>3,313</b>	<b>3,438</b>	<b>6,521</b>	<b>13,731</b>

## Financials and Valuations (CONSOL)

Consolidated - Income Statement								(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Total Income from Operations</b>	<b>241,431</b>	<b>309,763</b>	<b>428,396</b>	<b>507,888</b>	<b>593,581</b>	<b>688,342</b>	<b>835,445</b>	<b>975,937</b>
Change (%)	-2.9	28.3	38.3	18.6	16.9	16.0	21.4	16.8
Raw Materials	205,547	263,974	363,840	432,745	505,517	585,222	709,919	829,096
<b>Gross Profit</b>	<b>35,884</b>	<b>45,789</b>	<b>64,556</b>	<b>75,143</b>	<b>88,064</b>	<b>103,120</b>	<b>125,526</b>	<b>146,842</b>
Margin (%)	14.9	14.8	15.1	14.8	14.8	15.0	15.0	15.0
Employees Cost	5,366	6,162	7,470	9,061	11,659	15,247	18,380	21,471
Other Expenses	13,088	14,642	20,716	25,044	31,531	36,620	44,111	51,237
<b>Total Expenditure</b>	<b>224,000</b>	<b>284,778</b>	<b>392,025</b>	<b>466,851</b>	<b>548,707</b>	<b>637,089</b>	<b>772,410</b>	<b>901,803</b>
% of Sales	92.8	91.9	91.5	92	92	93	92	92
<b>EBITDA</b>	<b>17,431</b>	<b>24,985</b>	<b>36,370</b>	<b>41,038</b>	<b>44,873</b>	<b>51,254</b>	<b>63,035</b>	<b>74,134</b>
Margin (%)	7.2	8.1	8.5	8.1	7.6	7.4	7.5	7.6
Depreciation	4,142	4,981	6,389	7,308	8,695	10,606	13,627	16,736
<b>EBIT</b>	<b>13,289</b>	<b>20,004</b>	<b>29,982</b>	<b>33,730</b>	<b>36,178</b>	<b>40,647</b>	<b>49,408</b>	<b>57,398</b>
Int. and Finance Charges	417	538	674	581	695	1,384	3,356	5,002
Other Income	1,962	1,175	1,293	1,465	1,243	753	847	932
<b>PBT bef. EO Exp.</b>	<b>14,835</b>	<b>20,641</b>	<b>30,601</b>	<b>34,613</b>	<b>36,727</b>	<b>40,017</b>	<b>46,900</b>	<b>53,329</b>
<b>PBT after EO Exp.</b>	<b>14,835</b>	<b>20,641</b>	<b>30,601</b>	<b>34,613</b>	<b>36,727</b>	<b>40,017</b>	<b>46,900</b>	<b>53,329</b>
Total Tax	3,840	5,717	6,818	9,251	9,652	10,805	12,593	14,239
Tax Rate (%)	25.9	27.7	22.3	26.7	26.3	27.0	26.9	26.7
<b>Reported PAT</b>	<b>10,994</b>	<b>14,924</b>	<b>23,783</b>	<b>25,363</b>	<b>27,075</b>	<b>29,212</b>	<b>34,307</b>	<b>39,090</b>
<b>Adjusted PAT</b>	<b>10,994</b>	<b>14,924</b>	<b>23,783</b>	<b>25,363</b>	<b>27,075</b>	<b>29,212</b>	<b>34,307</b>	<b>39,090</b>
Change (%)	-15.5	35.7	59.4	6.64	6.75	7.90	17.44	13.94

Consolidated - Balance Sheet								(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	6,478	6,478	6,483	6,507	6,507	6,507	6,507	6,507
Total Reserves	1,15,359	1,30,299	1,54,304	180,471	207,770	236,982	271,290	310,380
<b>Net Worth</b>	<b>1,21,837</b>	<b>1,36,776</b>	<b>1,60,787</b>	<b>186,978</b>	<b>214,278</b>	<b>243,490</b>	<b>277,797</b>	<b>316,887</b>
Total Loans	0	0	0	0	0	15,000	30,000	45,000
Lease Liabilities	3,927	6,469	6,430	5,922	8,196	17,493	24,645	30,824
Deferred Tax Liabilities	512	640	770	919	1,125	1,125	1,125	1,125
<b>Capital Employed</b>	<b>1,26,281</b>	<b>1,43,890</b>	<b>1,67,987</b>	<b>193,814</b>	<b>223,588</b>	<b>277,097</b>	<b>333,556</b>	<b>393,825</b>
Gross Block	83,178	1,10,486	1,37,381	164,929	200,278	264,878	330,328	400,528
Less: Accum. Deprn.	13,873	18,669	24,759	31,562	38,996	49,602	63,229	79,965
<b>Net Fixed Assets</b>	<b>69,305</b>	<b>91,817</b>	<b>1,12,622</b>	<b>133,367</b>	<b>161,282</b>	<b>215,276</b>	<b>267,099</b>	<b>320,563</b>
Right to use assets	<b>9,602</b>	<b>13,887</b>	<b>15,049</b>	<b>15,391</b>	<b>17,417</b>	<b>17,417</b>	<b>17,417</b>	<b>17,417</b>
Capital WIP	10,196	11,293	8,292	9,352	10,994	10,994	10,994	10,994
<b>Total Investments</b>	<b>30</b>	<b>59</b>	<b>2,022</b>	<b>1,067</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>56,237</b>	<b>50,758</b>	<b>57,327</b>	<b>67,156</b>	<b>70,037</b>	<b>77,736</b>	<b>88,304</b>	<b>100,777</b>
Inventory	22,483	27,427	32,435	39,273	50,444	57,721	66,129	72,688
Account Receivables	436	669	622	1,664	1,538	1,414	1,717	2,005
Cash and Bank Balance	14,456	2,986	14,083	6,382	3,582	1,595	1,751	5,506
Loans and Advances	18,863	19,677	10,187	19,837	14,474	17,006	18,707	20,578
<b>Curr. Liability &amp; Prov.</b>	<b>10,280</b>	<b>10,838</b>	<b>13,076</b>	<b>17,958</b>	<b>19,615</b>	<b>27,798</b>	<b>33,731</b>	<b>39,399</b>
Account Payables	5,781	5,892	7,538	9,848	10,708	12,827	15,560	18,172
Other Current Liabilities	4,236	4,533	4,965	7,407	8,289	13,767	16,709	19,519
Provisions	262	413	573	702	618	1,205	1,462	1,708
<b>Net Current Assets</b>	<b>45,958</b>	<b>39,920</b>	<b>44,251</b>	<b>49,198</b>	<b>50,422</b>	<b>49,938</b>	<b>54,573</b>	<b>61,378</b>
Deferred Tax assets	10	17	18	47	75	75	75	75
<b>Appl. of Funds</b>	<b>1,26,281</b>	<b>1,43,890</b>	<b>1,67,987</b>	<b>193,814</b>	<b>223,588</b>	<b>277,097</b>	<b>333,556</b>	<b>393,825</b>

## Financials and Valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>								
<b>EPS (diluted from FY17)</b>	<b>17.0</b>	<b>23.0</b>	<b>36.7</b>	<b>39.0</b>	<b>41.6</b>	<b>44.9</b>	<b>52.7</b>	<b>60.1</b>
Cash EPS (diluted from FY17)	23.4	30.7	46.5	50.2	55.0	61.2	73.7	85.8
BV/Share (diluted from FY17)	188.1	211.1	248.0	287.3	329.3	374.2	426.9	487.0
<b>Valuation (x)</b>								
P/E	251.5	185.3	116.4	111.9	104.8	97.1	82.7	72.6
Cash P/E	182.7	138.9	91.7	86.8	79.3	71.3	59.2	50.8
P/BV	22.7	20.2	17.2	15.2	13.2	11.7	10.2	9.0
EV/Sales	11.4	8.9	6.4	5.6	4.8	4.2	3.5	3.0
EV/EBITDA	158.0	110.8	75.8	69.1	63.3	56.0	45.8	39.2
Dividend Yield (%)	0.0	0.0	0.0	-	-	-	-	-
FCF per share	-10.1	-15.7	6.5	0.4	(14.7)	(21.1)	(11.7)	(1.2)
<b>Return Ratios (%)</b>								
RoE	9.5	11.5	16.0	14.6	13.5	12.8	13.2	13.1
RoCE	9.4	11.4	15.7	14.3	13.3	12.1	12.1	11.8
RoIC	11.0	12.5	17.1	15.4	13.8	12.5	12.4	12.1
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.9	2.8	3.1	3.1	3.0	2.6	2.5	2.4
Asset Turnover (x)	1.9	2.2	2.6	2.6	2.7	2.5	2.5	2.5
Inventory (Days)	40	38	33	33.1	36.4	36.0	34.0	32.0
Debtor (Days)	1	1	1	1.2	0.9	0.8	0.8	0.8
Creditor (Days)	10	8	8	8.3	7.7	8.0	8.0	8.0
<b>Leverage Ratio (x)</b>								
Current Ratio	5.5	4.7	4.4	3.7	3.6	2.8	2.6	2.6
Interest Cover Ratio	31.9	37.2	44.5	58.0	52.1	29.4	14.7	11.5
Net Debt/Equity	-0.1	0.0	-0.1	(0.0)	0.0	0.1	0.2	0.2

### Consolidated - Cash Flow

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	14,835	20,641	30,601	34,613	36,727	40,017	46,900	53,329
Depreciation	4,142	4,981	6,389	7,308	8,695	10,606	13,627	16,736
Interest & Finance Charges	417	538	674	581	695	1,384	3,356	5,002
Direct Taxes Paid	-2,616	-5,603	-7,089	(7,418)	(9,592)	(10,805)	(12,593)	(14,239)
(Inc)/Dec in WC	-1,271	-5,825	-3,199	(6,438)	(11,127)	(1,503)	(4,479)	(3,050)
<b>CF from Operations</b>	<b>15,506</b>	<b>14,733</b>	<b>27,376</b>	<b>28,646</b>	<b>25,397</b>	<b>39,699</b>	<b>46,810</b>	<b>57,778</b>
Others	-1,754	-1,009	-1,073	(1,188)	(767)	(753)	(847)	(932)
<b>CF from Operating incl EO</b>	<b>13,751</b>	<b>13,724</b>	<b>26,303</b>	<b>27,458</b>	<b>24,630</b>	<b>38,946</b>	<b>45,963</b>	<b>56,846</b>
(Inc)/Dec in FA	-20,275	-23,895	-22,065	(27,218)	(34,172)	(52,700)	(53,550)	(57,600)
<b>Free Cash Flow</b>	<b>-6,524</b>	<b>-10,172</b>	<b>4,238</b>	<b>240</b>	<b>(9,542)</b>	<b>(13,754)</b>	<b>(7,587)</b>	<b>(754)</b>
(Pur)/Sale of Investments	7,830	10,500	-1,500	(137)	1,272	-	-	-
Others	1,345	500	434	2,672	11,047	753	847	932
<b>CF from Investments</b>	<b>-11,100</b>	<b>-12,895</b>	<b>-23,131</b>	<b>(24,683)</b>	<b>(21,853)</b>	<b>(51,947)</b>	<b>(52,703)</b>	<b>(56,668)</b>
Issue of Shares	0	0	155	748	-	-	-	-
Inc/(Dec) in Debt	-377	0	0	-	-	15,000	15,000	15,000
Interest Paid	-436	-538	-674	(581)	(695)	(1,384)	(3,356)	(5,002)
Others	0	-1,255	-1,533	(1,643)	(1,899)	(2,603)	(4,749)	(6,421)
<b>CF from Fin. Activity</b>	<b>-813</b>	<b>-1,792</b>	<b>-2,051</b>	<b>(1,476)</b>	<b>(2,593)</b>	<b>11,014</b>	<b>6,895</b>	<b>3,578</b>
<b>Inc/Dec of Cash</b>	<b>1,838</b>	<b>-964</b>	<b>1,120</b>	<b>1,299</b>	<b>184</b>	<b>(1,987)</b>	<b>156</b>	<b>3,755</b>
Opening Balance	1,059	1,915	951	2,072	3,371	3,555	1,568	1,723
Closing Balance	2,897	951	2,072	3,370	3,555	1,568	1,723	5,479
Other bank balance	12,541	2,035	12,012	3,012	27	27	27	27
<b>Closing Balance (including bank)</b>	<b>15,438</b>	<b>2,986</b>	<b>14,083</b>	<b>6,382</b>	<b>3,582</b>	<b>1,595</b>	<b>1,751</b>	<b>5,506</b>

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UNDER REVIEW	Rating may undergo a change
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