

Kalyan Jewellers

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	KALYANKJ IN
Equity Shares (m)	1033
M.Cap.(INRb)/(USD\$)	438.4 / 4.6
52-Week Range (INR)	618 / 348
1, 6, 12 Rel. Per (%)	-5/-12/-17
12M Avg Val (INR M)	2393

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	357.4	446.3	520.2
EBITDA	24.9	29.2	33.8
Margins (%)	7.0	6.5	6.5
Adj. PAT	13.8	17.3	20.5
Adj. EPS (INR)	13.4	16.8	19.9
EPS Growth (%)	71.0	25.2	18.7
BV/Sh.(INR)	61.1	73.4	86.8

Ratios

RoE (%)	24.9	24.9	24.8
RoIC (%)	17.0	18.1	20.3

Valuations

P/E (x)	31.8	25.4	21.4
P/BV (x)	7.0	5.8	4.9
EV/Sales (x)	1.2	0.9	0.8
EV/EBITDA(x)	17.5	14.1	12.0

Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	62.9	62.8	62.9
DII	14.1	15.2	12.0
FII	14.6	14.1	16.9
Others	8.5	7.9	8.3

FII includes depository receipts

CMP: INR425 TP: INR575 (+35%) Buy

All-round beat; growth momentum continues

- Kalyan Jewellers' (KALYANKJ) consolidated revenue growth was 66% YoY at INR102.7b (est. INR84bn). The Indian business sustained industry-leading expansion, clocking 68% YoY growth. Moreover, it registered a robust 47% SSSG (29% in the South, 62% in the non-South), with healthy store additions (added a net of 24 Kalyan Indian stores and 14 Candere stores). Candere's revenue grew to INR1310m vs. INR280m in 4QFY25.
- Management indicated that on-ground demand momentum remained healthy in 4QFY26, driven by the strong festive and wedding traction. Akshaya Tritiya sales were robust, and the company is witnessing encouraging demand in the current quarter as well.
- The Indian business's GM contracted 100bp YoY to 12.3% due to a higher franchise mix. Studded share remained stable at 31% in 4QFY26. EBITDA margin expanded 30bp YoY to 6.7% (est. 6.5%). Interest cost increased 22% QoQ and YoY due to interest on advance tax arising from estimation differences. The key profitability metric, PBT margin, remained in an expansion trend, expanding 80bp YoY to 5.5%. PBT jumped 99% YoY. Candere reported a profit of INR30m (vs a loss of INR 120m in 4QFY25).
- The company opened 24 store Kalyan showrooms (64 in FY26) and 14 Candere (51 in FY26), taking the total store count to 466 in India. Some store launches were hampered in 4Q due to supply-side disruptions for building materials amid the geopolitical situation in West Asia. In FY27, the company plans to open 84 Kalyan (all FOCO) and 50 Candere stores.
- The Middle Eastern business delivered 37% revenue growth despite ongoing turbulence in those markets. It was driven by a 34% SSSG. Studded share stood at 15%. Demand was healthy in Jan-Feb, but it was impacted in the first half of March. However, sales witnessed a strong recovery in the latter half of March, driven by healthy Ramadan demand.
- With the successful scale-up of the franchise businesses (>50% revenue contribution) and stable success in non-Southern markets, the company has been established as a leading brand in the industry. Consistent success on customer acquisition, expanding operating margin, and deleveraging balance sheet remains the key rationale for our constructive view on the business. We model a 21%/16%/22% revenue/EBITDA/PAT CAGR during FY26-28E. **We reiterate our BUY rating with a TP of INR575 (based on 30x Mar'28 P/E).**

India >95% PAT growth; Middle East also shines

India business

- **Strong revenue growth with 47% SSSG:** India's revenue grew 68% YoY to INR90b (est. INR74.8b). Same store sales increased by 47% YoY in 4QFY26, South SSSG stood at 29%, and Non-South stood at 62%. South revenue growth was 45%, and non-South was at 89%. Studded share remained stable at 31% in 3QFY26. Studded revenue rose 69%.

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- **Store expansion:** The company added a net of 24 Kalyan stores in India, reaching a total of 342 stores. Candere added 14 stores, reaching a total of 124 stores. Total stores in India stood at 466. Some store launches were hampered in 4Q due to supply-side disruptions for building materials amid the geopolitical situation in West Asia.
- **Stellar growth in profitability** – Gross margin contracted 100bp YoY to 12.3%. EBITDA margin expanded 30bp YoY to 6.7%. EBITDA grew 76% YoY to INR6.0b (est. INR4.9b). PBT grew 99% YoY to INR5.0b, and APAT grew 97% YoY to INR3.7b.
- In FY26, revenue/EBITDA/PAT grew 43%/50%/73%, respectively

International business

- Sales grew 37% YoY to INR10.7b, driven by SSSG of 34%.
- The company witnessed healthy Ramadan sales during the last 10 days of March, while the low base of the previous year further supported higher growth during the quarter, as the Ramadan sale period in the base year had fallen between 30th March and 10th April.
- Gross margin contracted 180bp YoY to 13.1%, and EBITDA margin contracted 20bp YoY to 7.3%. EBITDA grew 34% YoY to INR787m. PAT grew 76% YoY to INR213m.
- There were no new store additions during the quarter. The studded share stood at 15% vs 19%.
- In FY26, its revenue/EBITDA/PAT grew 25%/18%/37%.

Consolidated performance

- The consolidated revenue registered 66% YoY growth to INR102.7b (est. INR84.0b).
- Gross margin contracted 90bp YoY to 12.9% (est. 13.4%).
- EBITDA margin expanded 70bp YoY to 7.2%. (est. 7.2%). EBITDA saw a sharp 84% YoY growth to INR7.4b (est. INR6.1b).
- PBT grew by 115% YoY to INR5.4b, and APAT grew 118% YoY to INR4.1b.
- In FY26, revenue/EBITDA/PAT grew 43%/52%/73%, respectively

Key takeaways from the management commentary

- Management remains optimistic for FY27 as there would be a higher base effect, especially in 2HFY27. India's standalone PBT margin of ~5.5–5.6% is expected to broadly sustain in FY27, with a potential for slight improvement through operating leverage.
- Management reiterated its target of becoming non-GML debt-free during FY27. If business conditions remain favorable, management indicated that the target could potentially be achieved by 1HFY27 itself.
- Management stated that preparations for the launch of the new regional jewellery brand have been completed. However, the launch has been delayed due to post-election uncertainty in the target state market. The company is waiting for conditions to stabilize before officially launching the brand.
- Promoter pledge levels have remained unchanged for the last ~15 months.

Valuation and view

- We raise our EPS estimates by 4% for FY27 and FY28.
- The company repaid INR5.6b non-GML debt in FY26, taking the debt to INR3.2b.
- Management reiterated its target of becoming non-GML debt-free during FY27.

- With the successful scale-up of its new franchise businesses (>50% 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.
- We model a 21%/16%/22% revenue/EBITDA/PAT CAGR during FY26-28E. We reiterate our BUY rating with a TP of INR575 (based on 30x Mar'28 P/E).

Consolidated Quarterly Performance

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26E	FY26E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Stores	277	303	349	388	406	436	469	507	387	507	558		
Net Sales	55,355	60,655	72,869	61,815	72,685	78,560	1,03,434	1,02,749	2,50,451	3,57,429	83,979		22.4%
Change (%)	26.5	37.4	39.5	36.6	31.3	29.5	41.9	66.2	35.0	42.7	35.9		
Raw Material/PM	47,419	52,313	63,323	53,314	62,603	68,395	89,857	89,531	2,16,370	3,10,385	72,716		
Gross Profit	7,935	8,342	9,546	8,501	10,081	10,166	13,577	13,219	34,081	47,043	11,264		17.4%
Gross Margin (%)	14.3	13.8	13.1	13.8	13.9	12.9	13.1	12.9	13.6	13.2	13.4		
Operating Expenses	4,175	4,379	4,609	4,507	5,001	5,196	6,073	5,862	17,671	22,131	5,207		
% of Sales	7.5	7.2	6.3	7.3	6.9	6.6	5.9	5.7	7.1	6.2	6.2		
EBITDA	3,760	3,962	4,936	3,994	5,080	4,970	7,505	7,357	16,410	24,912	6,057		21.5%
Margin (%)	6.8	6.5	6.8	6.5	7.0	6.3	7.3	7.2	6.6	7.0	7.2		
Change (%)	16.4	26.3	33.5	34.8	35.1	25.4	52.0	84.2	25.0	51.8	51.7		
Interest	852	903	876	962	1,036	949	1,043	1,300	3,595	4,329	853		
Depreciation	755	850	890	933	977	1,032	1,089	1,131	3,427	4,229	1,057		
Other Income	222	260	313	408	463	514	642	462	1,446	2,080	734		
PBT	2,375	2,469	3,484	2,507	3,530	3,503	6,014	5,388	10,834	18,435	4,881		10.4%
Tax	599	649	886	630	889	898	1,436	1,293	2,764	4,516	1,351		
Effective Tax Rate (%)	25.2	26.3	25.4	25.1	25.2	25.6	23.9	24.0	25.5	24.5	27.7		
Adjusted PAT	1,776	1,821	2,598	1,877	2,641	2,605	4,479	4,095	8,070	13,919	3,530		16.0%
Change (%)	23.4	34.6	43.8	36.4	48.7	43.1	72.4	118.2	35.1	72.5	88.1		
Reported PAT	1,776	1,303	2,187	1,877	2,641	2,605	4,163	4,095	7,142	13,504	3,530		

E: MOFSL Estimates

India Quarterly Performance (Standalone)

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	FY26E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Stores	241	267	312	351	368	396	428	466	351	466	511		
SSSG (%)	12	23	24	21	18	16	27	47	20	28	25		
Studded ratio (%)	30.4	29.7	29.5	31.1	30.2	30.9	31.2	31.3	30.1	31.0	31.3		
Net Sales	46,875	52,268	63,864	53,504	61,422	68,428	90,477	89,943	2,16,510	3,10,271	74,821		20.2%
Change (%)	28.7	39.2	41.6	38.3	31.0	30.9	41.7	68.1	37.3	43.3	39.8		
Raw Material/PM	40,226	45,205	55,767	46,378	53,058	59,881	79,010	78,869	1,87,577	2,70,818	64,832		
Gross Profit	6,648	7,062	8,097	7,126	8,364	8,548	11,467	11,074	28,934	39,453	9,989		10.9%
Gross Margin (%)	14.2	13.5	12.7	13.3	13.6	12.5	12.7	12.3	13.4	12.7	13.4		
Operating Expenses	3,499	3,741	3,845	3,691	4,023	4,227	4,929	5,032	14,776	18,210	5,107		
% of Sales	7.5	7.2	6.0	6.9	6.5	6.2	5.4	5.6	6.8	5.9	6.8		
EBITDA	3,150	3,322	4,251	3,435	4,342	4,321	6,538	6,042	14,158	21,242	4,882		23.8%
Margin (%)	6.7	6.4	6.7	6.4	7.1	6.3	7.2	6.7	6.5	6.8	6.5		
Change (%)	17.1	24.3	34.4	34.7	37.9	30.1	53.8	75.9	27.8	50.0	42.1		
Interest	601	626	585	686	724	650	686	834	2,497	2,894	647		
Depreciation	560	612	610	679	697	723	769	775	2,461	2,963	791		
Other Income	250	277	411	424	521	569	744	521	1,485	2,354	424		
PBT	2,239	2,361	3,467	2,494	3,443	3,517	5,826	4,953	10,685	17,739	3,868		28.1%
Tax	588	641	876	640	878	895	1,403	1,297	2,745	4,473	1,021		
Effective Tax Rate (%)	26.3	27.1	25.3	25.7	25.5	25.5	24.1	26.2	25.7	25.2	26.4		
Adjusted PAT	1,651	1,720	2,591	1,854	2,565	2,622	4,323	3,656	7,630	13,163	2,847		28.4%
Change (%)	28.1	37.1	54.0	41.1	55.4	52.4	66.9	97.3	39.8	72.5	53.6		
Reported PAT	1,651	1,203	2,180	1,854	2,565	2,622	4,008	3,656	6,702	12,851	2,847		

E: MOFSL Estimates

Middle East Quarterly Performance

(INR m)

Y/E March	FY25				FY26			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Stores	36	36	36	36	36	38	38	38
Net Sales	8,092	7,989	8,403	7,845	10,265	8,657	10,726	10,736
Change (%)	15.6	27.0	23.1	26.0	26.9	8.4	27.6	36.9
Raw Material/PM	6,900	6,847	7,156	6,677	8,828	7,469	9,188	9,326
Gross Profit	1,192	1,142	1,247	1,168	1,437	1,188	1,538	1,410
Gross Margin (%)	14.7	14.3	14.8	14.9	14.0	13.7	14.3	13.1
Operating Expenses	569	551	603	581	709	575	782	623
% of Sales	7.0	6.9	7.2	7.4	6.9	6.6	7.3	5.8
EBITDA	623	591	644	587	728	613	756	787
Margin (%)	7.7	7.4	7.7	7.5	7.1	7.1	7.0	7.3
Change (%)	12.5	22.9	21.6	33.1	16.9	3.7	17.4	34.1
Interest	264	276	277	269	287	261	307	412
Depreciation	168	173	191	194	204	212	206	220
Other Income	2	20	5	26	29	45	15	43
PBT	193	162	181	150	266	185	258	198
Tax	6	24	28	29	45	34	22	-15
Effective Tax Rate (%)	3.1	14.8	15.5	19.3	16.9	18.4	8.5	-7.6
Adjusted PAT	187	138	153	121	221	151	236	213
Change (%)	10.7	16.0	10.9	22.2	18.2	9.4	54.2	76.0

E: MOFSL Estimates

Exhibit 1: Store network

Store data	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Kalyan India	217	231	253	278	287	300	318	342
-COCO	128	126	121	126	126	126	123	120
-FOCO	89	105	132	152	161	174	195	222
Candere	24	36	59	73	81	96	110	124
-COCO	8	12	35	36	40	42	42	54
-FOCO	16	24	24	37	41	54	68	70
Total stores in India	241	267	312	351	368	396	428	466
Middle East	36	36	36	36	36	38	38	38
-COCO	35	32	32	32	32	34	34	34
-FOCO	1	4	4	4	4	4	4	4
US	0	0	1	1	2	2	2	2
UK	0	0	0	0	0	0	1	1
Total stores	277	303	349	388	406	436	469	507

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

Particulars	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
South revenue share(%)	51	51	44	47	51	46	42	41
Non South revenue share (%)	49	49	56	53	49	54	58	59
SSSG (%)	12	23	24	21	18	16	27	47
South SSSG (%)	13	25	23	20	20	14	25	29
Non south SSSG (%)	11	21	25	22	16	17	29	62



Key takeaways from the management commentary

Demand environment and outlook

- Management indicated that strong wedding demand and healthy festive purchases supported growth during the quarter.
- Akshaya Tritiya sales were strong, and the company continues to witness encouraging momentum in wedding-related demand in the ongoing quarter as well.
- Non-South markets continued to outperform South markets during the quarter.
- South India witnessed a relatively slower SSSG, partly due to a higher base.
- Management remains optimistic for FY27, as there would be a higher base effect, especially in 2HFY27.
- Wedding purchases may shift across quarters depending on auspicious and inauspicious periods, but this does not lead to permanent demand loss.
- Gold coin demand normalized during 4Q after an unusually strong 3Q, especially during Diwali.
- Management indicated that the company does not aggressively push coin sales or bullion sales.
- Coin demand during Akshaya Tritiya was lower than expectations, unlike previous periods where investment demand was exceptionally high.
- **Promoter pledge levels have remained unchanged for the last ~15 months.**

Cost and margin

- Margin expansion was driven by a richer product mix, procurement efficiencies, operating leverage, a higher share of FOCO revenue.
- There is sequential increase in interest cost due to higher processing charges, interest paid on advance tax due to estimation differences and higher debt levels during 1HFY26 before repayment accelerated.
- Management indicated that around INR200-300m of the reported interest cost was one-off in nature.
- Interest savings of ~INR300m are expected in FY27 due to the repayment of the remaining non-GML debt.
- India's standalone PBT margin of ~5.5–5.6% is expected to broadly sustain in FY27, with a potential for slight improvement through operating leverage.

Capex, debt, and cash flows

- The company repaid INR5.6b non GML debt in FY26, taking the debt to INR3.2b.
- Management reiterated its target of becoming non-GML debt-free during FY27. If business conditions remain favorable, management indicated that the target could potentially be achieved by 1HFY27 itself.
- **Management highlighted that non-GML debt will be reduced to zero and GML borrowings will broadly remain stable.**

Store guidance

- Supply-side disruptions for building materials (due to the geopolitical situation in West Asia) impacted some of the showroom launches during 4Q.
- In FY27, the company plans to open: 84 Kalyan showrooms in India (FOCO) and 6 international showrooms through a mix of COCO and FOCO formats.

- The company plans to open 50 Candere showrooms through a combination of COCO and FOCO formats in FY27.
- It also operates a hybrid expansion model where existing company-owned stores are relocated into larger formats. Franchise partners provide capital support. Approximately 7–8 stores have undergone this hybrid conversion process in the recent years.
- During FY26, the company added 13 stores in South India. Expansion in this region is increasingly focused on metro markets such as Bengaluru, Chennai, Hyderabad. Management indicated that South India is already deeply penetrated across Tier-2 and Tier-3 markets; hence, future additions will largely focus on metro densification.
- Outside South India, the company plans a significantly larger expansion with 60–65 showroom additions.
- Management stated that preparations for the launch of the new regional jewellery brand have been completed. However, the launch has been delayed due to post-election uncertainty in the target state market. The company is waiting for conditions to stabilize before officially launching the brand.

Candere

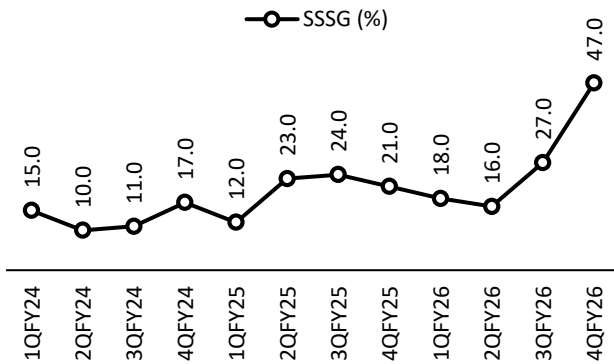
- Candere's revenue grew to INR1310m in 4QFY26 vs INR280m in 4QFY25, and reported profit of INR30m vs loss of INR120m in 4QFY25.
- Candere turned PAT positive from 2HFY26.

International business

- Middle East revenue grew 37% in 4QFY26. SSSG stood at 34%.
- The company saw healthy Ramadan sale during the last 10 days of March.
- The low base revenue also contributed to higher growth during the quarter as the Ramadan sale period during the base year was from 30th March till 10th April.
- Management stated that there is no issue regarding gold availability despite geopolitical concerns and import-related discussions.
- Banks continue to provide adequate inventory support.
- Gold procurement is also supported through domestic channels and GIFT City bullion exchange routes.
- The company is exploring a larger franchise led expansion model in the Middle East with Arab investors. As part of this strategy, four existing FOCO stores were temporarily converted into company-owned stores to facilitate the process.

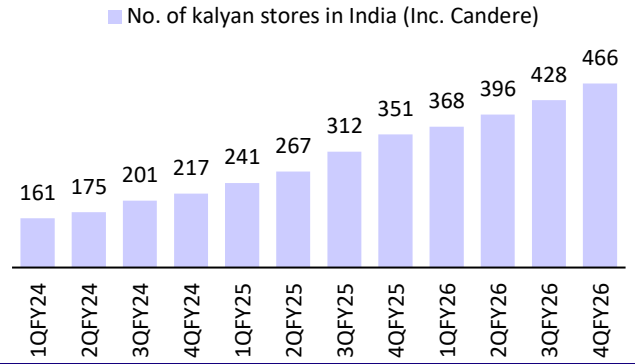
Key exhibits

Exhibit 3: India SSSG at 47% YoY in 4QFY26



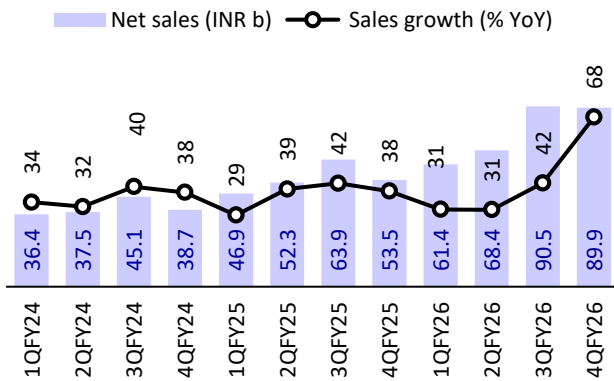
Source: Company, MOFSL

Exhibit 4: Added net 38 (Kalyan India, 14 Candere) stores in India



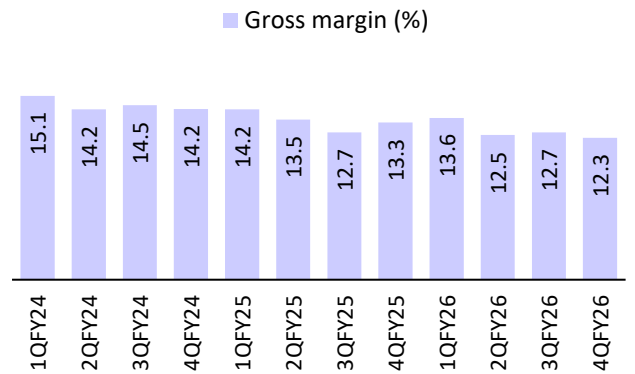
Source: Company, MOFSL

Exhibit 5: India sales grew 68% YoY, led by SSSG and store additions



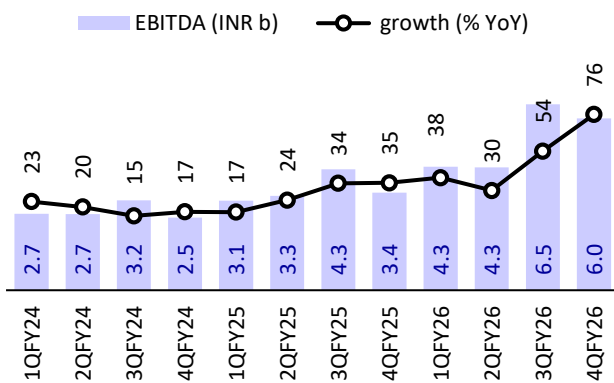
Source: Company, MOFSL

Exhibit 6: India business GP dipped 100bp YoY at 12.3%



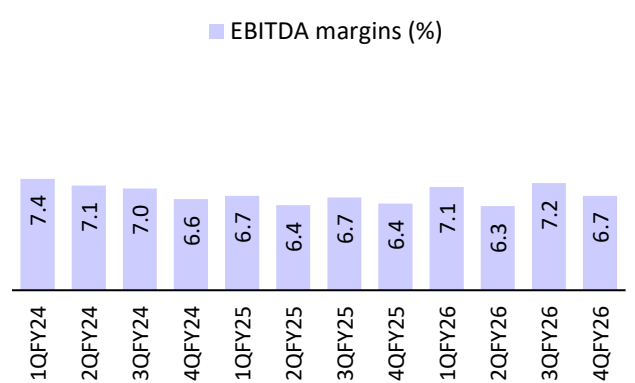
Source: Company, MOFSL

Exhibit 7: India business EBITDA grew 76% YoY to INR6b



Source: Company, MOFSL

Exhibit 8: India business EBITDA margin expanded 30bp YoY to 6.7%



Source: Company, MOFSL

Valuation and view

- We raise our EPS estimates by 4% for FY27 and FY28.
- The company repaid INR5.6b non GML debt in FY26, taking the debt to INR3.2b.
- Management reiterated its target of becoming non-GML debt free during FY27.
- With the successful scale-up of its new franchise businesses (>50% 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.
- We model a 21%/16%/22% revenue/EBITDA/PAT CAGR during FY26-28E. **We reiterate our BUY rating with a TP of INR575 (based on 30x Mar'28 P/E).**

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

INR m	New		Old		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Sales	4,46,321	5,20,243	4,18,352	4,94,262	7%	5%
EBITDA	29,160	33,754	28,409	32,907	3%	3%
PAT	17,308	20,546	16,666	19,792	4%	4%

Financials and valuations

Income Statement consol.

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Sales	1,01,009	85,733	1,08,179	1,40,714	1,85,483	2,50,451	3,57,429	4,46,321	5,20,243
Change (%)	3.4	-15.1	26.2	30.1	31.8	35.0	42.7	24.9	16.6
Raw Materials	83,918	71,141	91,263	1,18,722	1,58,346	2,16,370	3,10,385	3,90,442	4,56,421
Gross Profit	17,092	14,592	16,916	21,992	27,137	34,081	47,043	55,878	63,822
Margin (%)	16.9	17.0	15.6	15.6	14.6	13.6	13.2	12.5	12.3
Operating Expenses	9,489	8,649	8,771	10,852	14,010	17,671	22,131	26,719	30,067
EBITDA	7,603	5,943	8,145	11,141	13,127	16,410	24,912	29,160	33,754
Change (%)	31.0	-21.8	37.1	36.8	17.8	25.0	51.8	17.1	15.8
Margin (%)	7.5	6.9	7.5	7.9	7.1	6.6	7.0	6.5	6.5
Depreciation	2,391	2,249	2,316	2,446	2,743	3,427	4,229	5,025	5,632
Int. and Fin. Charges	3,803	3,754	3,224	3,026	3,232	3,595	4,329	3,886	3,851
Other Income	801	454	383	379	737	1,446	2,080	2,735	3,086
Profit before Taxes	2,209	394	2,989	6,048	7,888	10,834	18,435	22,984	27,357
Change (%)	955.7	-82.2	659.3	102.4	30.4	37.3	70.2	24.7	19.0
Margin (%)	2.2	0.5	2.8	4.3	4.3	4.3	5.2	5.1	5.3
Tax	786	455	748	1,396	1,925	2,764	4,516	5,676	6,811
Tax Rate (%)	35.6	115.6	25.0	23.1	24.4	25.5	24.5	24.7	24.9
PAT Before Minority	1,423	-61	2,240	4,652	5,963	8,070	13,919	17,308	20,546
Minority Interest	-7	2	-3	-12	-11	0	0	0	0
Exceptional	0	0	0	333	0	929	415	0	0
Reported PAT	1,430	-64	2,244	4,331	5,973	7,142	13,504	17,308	20,546
Adjusted PAT	1,430	-64	2,244	4,599	5,973	8,070	13,820	17,308	20,546
Change (%)	-4,113	-104	-3,616	105	30	35	71	25	19
Margin (%)	1.4	-0.1	2.1	3.3	3.2	3.2	3.9	3.9	3.9

Balance Sheet

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Share Capital	9,583	10,301	10,301	10,301	10,301	10,314	10,327	10,327	10,327
Reserves	12,028	17,960	21,070	26,047	31,590	37,721	52,760	65,432	79,283
Net Worth	21,611	28,260	31,370	36,347	41,891	48,036	63,087	75,760	89,610
Minority Interest	-30	5	9	-2	-13	0	0	0	0
GML	11,671	14,180	14,968	18,536	22,530	23,436	35,878	37,287	38,758
Loans	24,230	19,600	18,664	16,550	10,643	9,497	5,237	2,237	-763
Lease liability	7,578	6,983	6,661	7,869	11,691	16,660	20,059	24,900	29,232
Deferred tax	-81	-461	-450	-562	-662	-1,125	319	319	319
Capital Employed	64,979	68,567	71,223	78,738	86,079	96,504	1,24,580	1,40,502	1,57,156
Gross Block	15,462	15,031	16,056	15,373	18,644	22,286	26,104	27,704	29,304
Less: Accum. Depn.	4,669	5,413	6,240	6,635	7,739	9,230	11,125	13,277	15,558
Net Fixed Assets	10,793	9,618	9,816	8,738	10,904	13,056	14,979	14,427	13,746
Goodwill	51	51	51	51	51	51	51	51	51
Intangible assets	97	94	70	49	35	21	13	21	-9
Capital WIP	242	527	17	200	485	77	177	177	177
Right to Use Assets	10,110	8,613	8,667	9,580	11,390	14,723	17,461	20,139	22,309
Investments	0	0	6	44	44	53	55	55	55
Other non-current assets	1,830	2,186	1,962	2,748	5,117	8,161	9,186	13,059	16,175
Curr. Assets, L&A	58,984	67,103	68,414	85,158	99,490	1,13,993	1,63,307	1,94,008	2,23,508
Inventory	47,203	53,031	57,943	70,139	82,976	96,811	1,41,746	1,45,642	1,70,153
Account Receivables	2,137	1,127	1,195	2,442	3,283	3,999	8,665	10,802	12,567
Cash and Bank Balance	7,501	10,966	7,772	9,819	9,751	10,311	8,609	32,210	34,548
Others	2,142	1,979	1,504	2,759	3,480	2,872	4,287	5,353	6,240
Curr. Liab. and Prov.	17,127	19,627	17,778	27,830	41,436	53,630	80,649	1,01,434	1,18,856
Account Payables	5,576	6,901	6,566	11,927	19,441	23,503	33,597	42,178	49,318
Provisions	385	445	493	714	668	857	1,642	1,605	1,876
Other current liabilities	11,166	12,280	10,720	15,188	21,326	29,270	45,410	57,652	67,662
Net Current Assets	41,857	47,476	50,635	57,329	58,054	60,363	82,658	92,574	1,04,653
Application of Funds	64,979	68,564	71,224	78,738	86,079	96,504	1,24,580	1,40,502	1,57,156

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)									
EPS	1.5	-0.1	2.2	4.5	5.8	7.8	13.4	16.8	19.9
Cash EPS	4.0	2.1	4.4	6.8	8.5	11.1	17.5	21.6	25.3
BV/Share	22.6	27.4	30.5	35.3	40.7	46.6	61.1	73.4	86.8
DPS	0.0	0.0	0.0	0.5	1.2	1.5	2.5	4.5	6.5
Payout %	0.0	0.0	0.0	11.2	20.7	19.2	18.7	26.9	32.7
Valuation (x)									
P/E	285.4	-6,876.7	195.6	95.4	73.5	54.4	31.8	25.4	21.4
Cash P/E	106.8	200.8	96.2	62.3	50.3	38.2	24.4	19.7	16.8
EV/Sales	4.2	5.2	4.2	3.2	2.4	1.8	1.2	0.9	0.8
EV/EBITDA	55.9	75.3	55.2	40.0	33.5	26.7	17.5	14.1	12.0
P/BV	18.9	15.5	14.0	12.1	10.5	9.1	7.0	5.8	4.9
Dividend Yield (%)	0.0	0.0	0.0	0.1	0.3	0.4	0.6	1.1	1.5
Return Ratios (%)									
RoE	6.9	-0.3	7.5	13.6	15.3	17.9	24.9	24.9	24.8
RoCE	6.0	-1.0	6.7	9.3	10.2	11.8	15.5	15.3	15.7
RoIC	6.8	-1.1	7.7	10.6	11.6	13.3	17.0	18.1	20.3
Working Capital Ratios									
Inventory (Days)	167	213	187	166	151	131	122	118	111
Debtor (Days)	7	7	4	5	6	5	6	8	8
Payable (Days)	18	27	23	24	31	31	29	31	32
Cash conversion (Days)	155	194	168	147	125	105	99	94	87
Inventory turns (x)	2.2	1.7	1.9	2.2	2.4	2.8	3.0	3.1	3.3
Asset Turnover (x)	1.6	1.3	1.5	1.8	2.2	2.6	2.9	3.2	3.3
Leverage Ratio									
Net Debt/Equity (x)	1.3	0.8	0.8	0.7	0.6	0.5	0.5	0.1	0.0

Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Profit before Tax	2,209	394	2,989	5,715	7,888	9,596	18,020	22,984	27,357
Depreciation	2,391	2,249	2,316	2,446	2,743	3,427	4,229	5,025	5,632
Net interest	3,333	3,461	2,805	2,753	2,649	2,830	3,371	1,151	765
Others	-460	1,396	-59	85	170	328	790	0	0
Direct Taxes Paid	-65	-569	-1,529	-1,290	-2,262	-2,379	-4,269	-5,676	-6,811
(Incr)/Decr in WC	-4,213	-642	-4,071	424	2,040	-1,708	-8,965	14,815	-8,502
CF from Operations	3,196	6,288	2,450	10,134	13,227	12,095	13,175	38,298	18,441
Incr in FA	-1,075	-479	-908	-1,863	-3,712	-4,275	-4,061	-1,633	-1,594
Free Cash Flow	2,121	5,810	1,542	8,272	9,516	7,820	9,114	36,666	16,847
Pur of Investments	28	0	-6	-37	0	0	0	0	0
Others	529	-268	705	188	1,896	866	1,822	-6,384	-5,294
CF from Invest.	-517	-747	-209	-1,712	-1,816	-3,409	-2,239	-8,017	-6,888
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	-4,234	-3,000	-3,000
Dividend Paid	0	0	0	0	-515	-1,236	-1,525	-4,635	-6,695
Net interest Paid	-2,706	-2,864	-2,407	-2,291	-2,389	-2,234	-2,634	-3,886	-3,851
Others	-2,542	-1,646	-2,167	-1,939	-2,667	-3,394	-4,244	4,841	4,332
CF from Fin. Activity	-3,432	-2,076	-5,435	-6,376	-11,479	-8,126	-12,637	-6,680	-9,215
Incr/Decr of Cash	-753	3,465	-3,194	2,047	-68	560	-1,701	23,601	2,338
Add: Opening Balance	8,255	7,501	10,966	7,772	9,819	9,751	10,311	8,609	32,211
Closing Balance	7,501	10,966	7,772	9,819	9,751	10,311	8,609	32,211	34,549

E: MOFSL Estimates

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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.