

P N Gadgil Jewellers

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↓ |
| Rating change | ↔ |

| | |
|-----------------------|------------|
| Bloomberg | PNGJL IN |
| Equity Shares (m) | 136 |
| M.Cap.(INRb)/(USDdb) | 77.9 / 0.8 |
| 52-Week Range (INR) | 736 / 503 |
| 1, 6, 12 Rel. Per (%) | -10/-2/7 |
| 12M Avg Val (INR M) | 180 |

Financials & Valuations (INR b)

| Y/E March (INR b) | FY26 | FY27E | FY28E |
|-------------------|-------|-------|-------|
| Sales | 107.4 | 129.7 | 146.6 |
| Sales Growth (%) | 39.6 | 20.8 | 13.1 |
| EBITDA | 6.2 | 7.0 | 7.9 |
| Margins (%) | 5.7 | 5.4 | 5.4 |
| Adj. PAT | 4.1 | 4.4 | 5.0 |
| Adj. EPS (INR) | 30.4 | 32.3 | 36.5 |
| EPS Growth (%) | 74.9 | 6.0 | 13.3 |
| BV/Sh.(INR) | 144.6 | 176.9 | 213.4 |

Ratios

| | | | |
|-------------|------|------|------|
| Debt/Equity | 0.8 | 0.7 | 0.6 |
| RoE (%) | 23.5 | 20.1 | 18.7 |
| RoIC (%) | 18.7 | 15.6 | 15.7 |

Valuations

| | | | |
|--------------|------|------|------|
| P/E (x) | 18.9 | 17.8 | 15.7 |
| EV/EBITDA(x) | 12.0 | 10.2 | 8.7 |

Shareholding pattern (%)

| As On | Mar-26 | Dec-25 | Mar-25 |
|----------|--------|--------|--------|
| Promoter | 83.1 | 83.1 | 83.1 |
| DII | 4.7 | 4.8 | 5.5 |
| FII | 0.7 | 0.8 | 0.7 |
| Others | 11.5 | 11.3 | 10.8 |

FII Includes depository receipts

CMP: INR574 TP: INR715 (+24%) Buy

Beat on revenue growth; miss on margin

- PN Gadgil Jewellers (PNGJL) reported strong consolidated revenue growth of 123% YoY to INR35.4bn (vs est. INR29.5bn) in 4QFY26. It was driven by a robust same-store sales growth (SSSG) of 86%. Retail revenue grew 102% YoY, franchisee revenue increased 132%, while e-commerce sales rose 67%; bar & coin sales surged >200% to INR14b. Customer footfalls increased 10%, with a healthy conversion rate of 93%.
- PNGJL added 12 stores during the quarter, taking the total store count to 78 (48 COCO, 17 FOCO, 13 LiteStyle) across 36 cities. The company plans to add 25 stores in FY27 (5 COCO and 20 FOCO), with majority of the expansion focused outside Maharashtra.
- However, gross margin contracted sharply by 230bp YoY to 9.7% (vs est. 14.7%), primarily due to a higher gold bar and coin mix (150bp impact), lower studded jewellery contribution (30bp impact), and elevated promotional discounts during Foundation Day and Gratitude Day campaigns (50bp impact). Consequently, EBITDA margin witnessed a sharp dip by 210bp YoY to 3.8%. Management maintained FY27 PAT margin guidance of ~4%. We model PAT margins of ~3.5% for FY27/FY28.
- We model revenue, EBITDA, and APAT CAGR of 17%, 13%, and 10% over FY26-28E. Management highlighted that an increase in gold customs duty from 6% to 15% could moderate bullion demand and accelerate old gold exchange trends. PNGJL remains focused on increasing old gold contribution from the current ~40% to 50% through its 'Suvarna Swarajya' initiative. Additionally, the company plans to increase the hedging ratio to 75-80% from ~60% in FY26 to reduce margin volatility. Given the ongoing strategic initiatives and long-term growth visibility, we reiterate our BUY rating on the stock with a TP of INR715.

Robust revenue growth; low hedging ratio in 4Q

- **Sales grew >2x:** Consolidated sales rose 123% YoY to INR35.4b (est. INR29.5b) in 4QFY26. Retail segment (74% of total sales) recorded robust revenue growth of 102% to INR26.1b. **SSSG for the quarter stood at 86%.** E-commerce revenue grew 67% YoY to INR1.5b (4% to total revenue). Franchisee operations saw 132% YoY growth to INR4.3b (12% to total revenue). Gold value/volume grew 120%/27%. Silver value/volume growth stood at 246%/37%. Diamond posted a healthy 84% YoY value growth and >125% volume growth.
- **Sharp contraction in margins:** Gross margin surprisingly contracted 230bp YoY to 9.7% (vs est. 14.7%; 3QFY26 14.4%, 12.1% in FY26), marking a sharp miss in 4QFY26 after consecutive outperformance during 9MFY26. FY26 exit margins came in significantly below expectations. Employee expenses rose 32% YoY and other expenses rose 157% YoY. EBITDA rose 44% YoY to INR1.4b (est. INR2.1b). EBITDA margin contracted 210bp YoY to 3.8% (est. 7%, 7.4% in 3QFY26, 5.7% in FY26).

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- APAT grew 46% YoY to INR903m (est. INR1.3b). PAT margin came in at 2.5% (est.4.3%) vs 5.3% in 3QFY26.
- In FY26, net sales, EBITDA, and APAT grew 40%, 74%, 75%, respectively.

Key takeaways from the management commentary

- Management guided revenue of INR135b for FY27. Growth is expected to be supported by strong SSSG and continued store expansion.
- Franchisee margins were structurally lower at around 2.5%-3%, which also impacted consolidated margins.
- Make-to-order jewellery contribution remained stable at 30–35% of sales. Outside Maharashtra, the make-to-order contribution stood at ~22% of sales.
- Management stated that the QIP resolution remains valid till Aug'26. The company currently does not require immediate capital infusion as internal accruals remain sufficient to support growth plans.

Valuation and view

- We decrease our EPS estimates by 3% for FY27 and 1% for FY28.
- We model revenue, EBITDA, and APAT CAGR of 17%, 13%, and 10% over FY26–28E. Management highlighted that an increase in gold customs duty from 6% to 15% could moderate bullion demand and accelerate old gold exchange trends. PNGJL remains focused on increasing old gold contribution from the current ~40% to 50% through its 'Suvarna Swarajya' initiative. Additionally, the company plans to increase the hedging ratio to 75–80% from ~60% in FY26 to reduce margin volatility. Given the ongoing strategic initiatives and long-term growth visibility, we reiterate our BUY rating on the stock with a TP of INR715.

Consol. Quarterly Performance

(INR m)

| Y/E March | FY25 | | | | FY26 | | | | FY25 | FY26 | FY26 4QE | Variance (%) |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|-----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Net Sales | 16,682 | 20,013 | 24,358 | 15,882 | 17,146 | 21,776 | 33,026 | 35,443 | 76,935 | 1,07,391 | 29,476 | 20% |
| YoY change (%) | 32.7 | 45.9 | 23.5 | 5.0 | 2.8 | 8.8 | 35.6 | 123.2 | 25.9 | 39.6 | 85.6 | |
| Gross Profit | 1,386 | 1,531 | 2,391 | 1,909 | 2,259 | 2,581 | 4,739 | 3,442 | 7,216 | 13,022 | 4,343 | -21% |
| Margins (%) | 8.3 | 7.6 | 9.8 | 12.0 | 13.2 | 11.9 | 14.4 | 9.7 | 9.4 | 12.1 | 14.7 | |
| EBITDA | 643 | 721 | 1,228 | 941 | 1,100 | 1,071 | 2,443 | 1,352 | 3,538 | 6,159 | 2,052 | -34% |
| Margins (%) | 3.9 | 3.6 | 5.0 | 5.9 | 6.4 | 4.9 | 7.4 | 3.8 | 4.6 | 5.7 | 7.0 | |
| YoY growth (%) | 44.2 | 59.4 | 33.3 | 5.8 | 70.9 | 48.6 | 99.0 | 43.6 | 30.5 | 74.1 | 118.0 | |
| Depreciation | 63 | 72 | 84 | 130 | 112 | 139 | 152 | 169 | 348 | 572 | 158 | |
| Finance Cost | 123 | 129 | 63 | 115 | 189 | 198 | 251 | 276 | 430 | 916 | 263 | |
| Other Income | 19 | 118 | 70 | 149 | 129 | 358 | 274 | 311 | 351 | 881 | 89 | |
| PBT | 477 | 638 | 1,150 | 846 | 927 | 1,092 | 2,315 | 1,219 | 3,111 | 5,553 | 1,720 | -29% |
| YoY growth (%) | 57.3 | 110.2 | 48.6 | 15.2 | 94.4 | 71.0 | 101.3 | 44.2 | 48.6 | 78.5 | 103.4 | |
| APAT | 353 | 529 | 860 | 620 | 693 | 793 | 1,743 | 903 | 2,363 | 4,132 | 1,280 | -30% |
| Margins (%) | 2.1 | 2.6 | 3.5 | 3.9 | 4.0 | 3.6 | 5.3 | 2.5 | 3.1 | 3.8 | 4.3 | |
| YoY change (%) | 59.5 | 141.1 | 49.4 | 12.9 | 96.3 | 49.9 | 102.6 | 45.6 | 52.4 | 74.9 | 106.5 | |

E: MOFSL estimates



Key takeaways from the management commentary

Business highlights

- Old gold contribution currently stands at ~40% of the business, and management expects it to increase ~50%.
- Make-to-order jewellery contribution remains stable at 30–35% of sales. Outside Maharashtra, make-to-order contribution stands at ~22% of sales.
- Management stated that the QIP resolution remains valid till August'26.
- The company currently does not require immediate capital infusion as internal accruals remain sufficient to support growth plans.
- The company indicated that any decision regarding QIP will depend on market conditions and future growth requirements.

Margins and Profitability

- The company's GP margins contracted 230bp YoY to 9.7% in 4QFY26. The reason for the contraction is:
 - **Higher gold bars & coins contribution (150bp contraction)** - Gross margins were impacted by a sharp increase in gold bars and coins contribution, which increased to 40% of sales in 4QFY26 compared to 28% in 4QFY25. Revenue from bars and coins increased significantly from INR4500m to INR14,000m YoY.
 - **Lower studded jewellery mix (30bp contraction)** – The studded jewellery mix declined by around 1% during 4QFY26. Management attributed the decline to aggressive festive promotions and discounted making charges during the Foundation Day and Gratitude Day campaigns.
 - **Higher promotional discounts (50bp contraction)** - Marketing promotions, customer offers, and trade discounts exceeded INR50 crore during the quarter. The Foundation Day and Gratitude Day campaigns included making charge offers of INR399 per gram, which significantly impacted profitability. Management stated that these discounts were one-time in nature and are not expected to continue going forward.
- Franchisee margins are structurally lower at around 2.5%-3%, which also impacted consolidated margins.

Hedging policy

- The company's average monthly gold sales currently stand at around 600kg, while inventory holding remains at around 2,000 kg.
- Hedging levels improved from 57% in 4QFY25 to 67% in 4QFY26.
- Average hedging during FY26 stood at around 60%.
- Management plans to increase hedging levels further to 75%-80% during FY27 to reduce margin volatility.
- Gains from unhedged inventory reduced significantly from INR740m in 4QFY25 to INR200m in 4QFY26, which also impacted margins.

Store expansion

- The company added 12 stores during 4QFY26, including both COCO and FOCO formats.
- PNG entered Uttar Pradesh through store launches in Gorakhpur and Banaras during the quarter.

- Management highlighted that geographical diversification remains a key growth driver for the company.
- Non-Maharashtra markets now contribute around 10% of overall revenue.
- Management indicated that response from markets outside Maharashtra has been encouraging and has increased confidence regarding future expansion.
- The franchisee model continues to support the company's asset-light expansion strategy in Tier 2 and Tier 3 markets.
- The company plans to open 25 stores in FY27, including 5 COCO stores and 20 franchise stores.
- Majority of upcoming expansion is expected to be outside Maharashtra. Key focus markets include UP, MP, Bihar, Gurgaon, Lucknow, and Gujarat.

Impact of gold import duty increase

- Management stated that the increase in import duty from 6% to 15% will be directly passed on to consumers and hence will not impact margins.
- The company expects higher import duty to reduce consumer interest in bars and coins while improving jewellery demand.
- Management believes that customers will increasingly exchange old gold for new jewellery purchases going forward.
- The company launched the "Suvarna Swarajya" initiative to encourage customers to bring old gold and convert it into new jewellery.
- Old gold contribution currently stands at around 40% of business, and management expects it to increase further to above 50%.
- Management expects bars and coins contribution to normalize back to around 25% during FY27.

Inventory turns and ratio

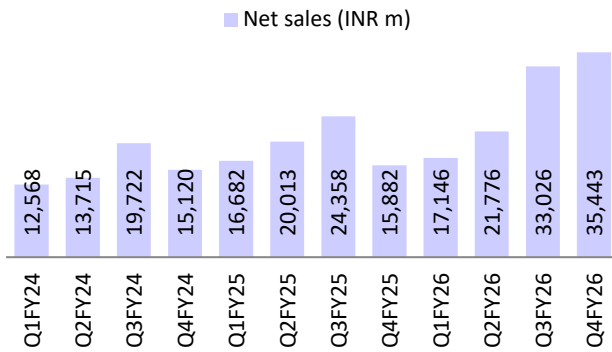
- Inventory turnover ratio declined due to higher new store additions in 2HFY26.
- Outside Maharashtra, inventory turnover stood at ~1.4x in Indore and ~1x in UP and Bihar.
- RoCE for owned stores stood at 30.5% in FY26, while overall RoE stood at 21%.
- Franchise-led expansion remains asset-light with minimal investment requirements, supporting strong incremental return ratios.

Guidance

- Management guided revenue of INR135b for FY27. Growth is expected to be supported by strong SSSG and continued store expansion
- EBITDA margin guidance was maintained at 7%-7.5%.
- PAT margin guidance was maintained at around 4%.

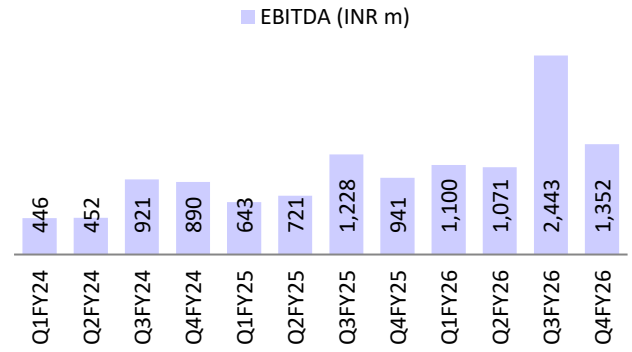
Key exhibits

Exhibit 1: Consol. sales grew 123% YoY in 4QFY26



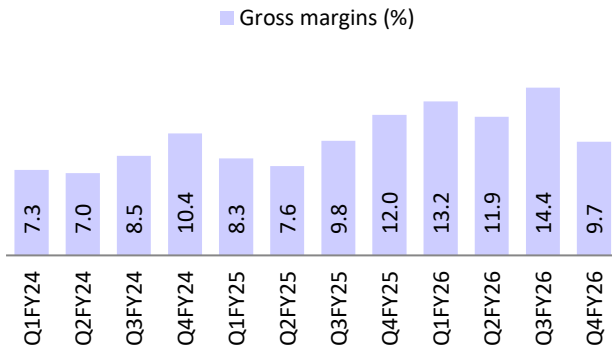
Source: Company, MOFSL

Exhibit 2: Consol. EBITDA grew 44% YoY in 4QFY26



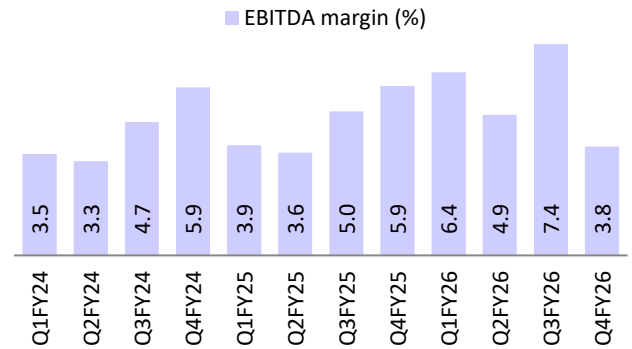
Source: Company, MOFSL

Exhibit 3: GP margin contracted 230bp YoY to 9.7%



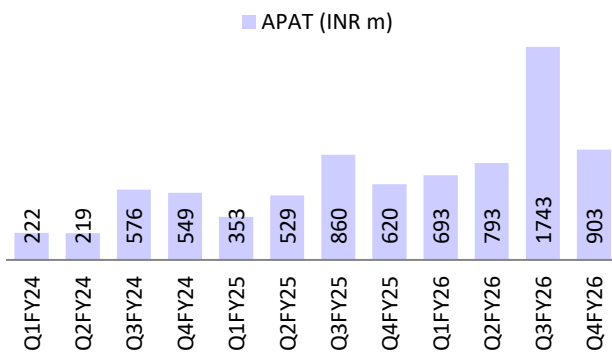
Source: Company, MOFSL

Exhibit 4: EBITDA margin contracted 210bp YoY to 3.8% in 4QFY26



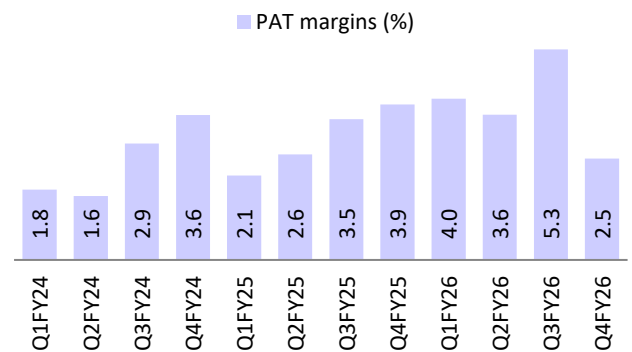
Source: Company, MOFSL

Exhibit 5: APAT grew 46% YoY to INR903m



Source: Company, MOFSL

Exhibit 6: APAT margin contracted 140bp YoY to 2.5% in 4QFY26



Source: Company, MOFSL

Valuation and view

- We decrease our EPS estimates by 3% for FY27 and 1% for FY28.
- We model revenue, EBITDA, and APAT CAGR of 17%, 13%, and 10% over FY26-28E. Management highlighted that an increase in gold customs duty from 6% to 15% could moderate bullion demand and accelerate old gold exchange trends. PNG remains focused on increasing old gold contribution from the current ~40% to 50% through its 'Suvarna Swarajya' initiative. Additionally, the company plans to increase the hedging ratio to 75–80% from ~60% in FY26 to reduce margin volatility. Given the ongoing strategic initiatives and long-term growth visibility, we reiterate our BUY rating on the stock with a TP of INR715.

Exhibit 7: We decrease our EPS estimates by 3% for FY27 and 1% for FY28

| | New | | Old | | Change (%) | |
|---------------|----------|----------|----------|----------|------------|-------|
| | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E |
| Sales | 1,29,714 | 1,46,645 | 1,22,265 | 1,39,399 | 6% | 5% |
| EBITDA | 6,990 | 7,925 | 7,235 | 8,071 | -3% | -2% |
| PAT | 4,379 | 4,960 | 4,507 | 5,016 | -3% | -1% |

Financials and valuations

| Income Statement | | | | | | | (INR m) | |
|----------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|
| Y/E March | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027E | 2028E |
| Net Sales | 19,301 | 25,556 | 45,075 | 61,120 | 76,935 | 1,07,391 | 1,29,714 | 1,46,645 |
| Change (%) | -21.4 | 32.4 | 76.4 | 35.6 | 25.9 | 39.6 | 20.8 | 13.1 |
| Gross Profit | 1,846 | 2,501 | 3,621 | 5,147 | 7,216 | 13,022 | 15,328 | 17,393 |
| Margin (%) | 9.6 | 9.8 | 8.0 | 8.4 | 9.4 | 12.1 | 11.8 | 11.9 |
| Other expenditure | 1,278 | 1,388 | 2,394 | 2,435 | 3,678 | 6,862 | 8,338 | 9,468 |
| EBITDA | 569 | 1,113 | 1,227 | 2,712 | 3,538 | 6,159 | 6,990 | 7,925 |
| Change (%) | -32.8 | 95.7 | 10.3 | 121.0 | 30.5 | 74.1 | 13.5 | 13.4 |
| Margin (%) | 2.9 | 4.4 | 2.7 | 4.4 | 4.6 | 5.7 | 5.4 | 5.4 |
| Depreciation | 267 | 218 | 215 | 232 | 348 | 572 | 742 | 813 |
| Int. and Fin. Charges | 379 | 351 | 349 | 459 | 430 | 916 | 1,101 | 1,214 |
| Other Income - Recurring | 144 | 307 | 518 | 72 | 351 | 881 | 700 | 725 |
| Profit before Taxes | 66 | 850 | 1,181 | 2,093 | 3,111 | 5,553 | 5,846 | 6,622 |
| Change (%) | -87.3 | 1,180.9 | 38.9 | 77.3 | 48.6 | 78.5 | 5.3 | 13.3 |
| Margin (%) | 0.3 | 3.3 | 2.6 | 3.4 | 4.0 | 5.2 | 4.5 | 4.5 |
| Tax | 134 | 155 | 244 | 543 | 748 | 1,420 | 1,467 | 1,662 |
| Deferred Tax | | | | | | | | |
| Tax Rate (%) | 201.2 | 18.2 | 20.6 | 25.9 | 24.1 | 25.6 | 25.1 | 25.1 |
| APAT | -67 | 695 | 937 | 1,551 | 2,363 | 4,132 | 4,379 | 4,960 |
| Change (%) | -123.2 | -1,134.7 | 34.8 | 65.5 | 52.4 | 74.9 | 6.0 | 13.3 |
| Margin (%) | -0.3 | 2.7 | 2.1 | 2.5 | 3.1 | 3.8 | 3.4 | 3.4 |
| Reported PAT | -67 | 695 | 937 | 1,551 | 2,183 | 4,098 | 4,379 | 4,960 |

| Balance Sheet | | | | | | | (INR m) | |
|--|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027E | 2028E |
| Share Capital | 1,180 | 1,180 | 1,180 | 1,180 | 1,357 | 1,357 | 1,357 | 1,357 |
| Reserves | 960 | 1,640 | 2,477 | 4,164 | 14,182 | 18,270 | 22,649 | 27,609 |
| Net Worth | 2,140 | 2,820 | 3,657 | 5,344 | 15,539 | 19,627 | 24,006 | 28,966 |
| Loans | 2,983 | 2,949 | 2,832 | 3,965 | 1,081 | 1,104 | 1,104 | 1,104 |
| GML | 0 | 0 | 0 | 0 | 7,150 | 14,692 | 16,029 | 18,335 |
| Lease liabilities | 411 | 407 | 409 | 587 | 1,073 | 1,575 | 1,743 | 1,910 |
| Deferred Tax | 49 | 56 | 64 | 74 | 80 | 46 | 46 | 46 |
| Capital Employed | 5,582 | 6,232 | 6,963 | 9,970 | 24,923 | 37,045 | 42,928 | 50,361 |
| Gross Block | 1,663 | 1,712 | 1,771 | 1,864 | 2,337 | 2,960 | 3,136 | 3,312 |
| Less: Accum. Depn. | 205 | 283 | 356 | 362 | 466 | 660 | 875 | 1,112 |
| Net Fixed Assets | 1,459 | 1,429 | 1,415 | 1,502 | 1,871 | 2,300 | 2,261 | 2,200 |
| Goodwill | 448 | 415 | 253 | 332 | 332 | 332 | 332 | 332 |
| Intangibles | 84 | 75 | 11 | 10 | 7 | 19 | 31 | 70 |
| Capital WIP | 35 | 35 | 35 | 35 | 35 | 0 | 0 | 0 |
| Right of use asset | 425 | 416 | 404 | 578 | 995 | 1,453 | 1,498 | 1,643 |
| Investments | 11 | 12 | 12 | 10 | 86 | 82 | 332 | 582 |
| Curr. Assets, L&A | 7,680 | 8,721 | 8,497 | 12,183 | 28,106 | 45,455 | 53,801 | 62,920 |
| Inventory | 6,382 | 7,035 | 5,969 | 9,589 | 20,209 | 36,554 | 40,875 | 46,755 |
| Account Receivables | 336 | 288 | 395 | 377 | 500 | 628 | 1,344 | 1,537 |
| Cash and cash equivalent | 69 | 124 | 176 | 261 | 936 | 417 | 1,192 | 1,904 |
| Bank bal. (inc. cash margin for borrowing) | 150 | 329 | 317 | 536 | 4,351 | 4,628 | 6,412 | 7,884 |
| Others | 743 | 944 | 1,640 | 1,421 | 2,110 | 3,228 | 3,978 | 4,839 |
| Curr. Liab. and Prov. | 4,559 | 4,870 | 3,663 | 4,680 | 6,519 | 12,597 | 15,327 | 17,386 |
| Trade Payables | 739 | 1,697 | 1,317 | 1,489 | 2,557 | 5,755 | 6,976 | 7,883 |
| Provisions | 42 | 40 | 49 | 30 | 52 | 109 | 126 | 139 |
| Other current liabilities | 3,778 | 3,132 | 2,296 | 3,161 | 3,910 | 6,733 | 8,225 | 9,364 |
| Net Current Assets | 3,121 | 3,851 | 4,834 | 7,503 | 21,586 | 32,858 | 38,474 | 45,533 |
| Application of Funds | 5,582 | 6,232 | 6,964 | 9,970 | 24,913 | 37,044 | 42,928 | 50,361 |

E: MOSL Estimates

Financials and valuations

Ratios

| Y/E March | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027E | 2028E |
|-------------------------------|---------|------|------|------|-------|-------|-------|-------|
| Basic (INR) | | | | | | | | |
| EPS | -0.6 | 5.9 | 7.9 | 13.1 | 17.4 | 30.4 | 32.3 | 36.5 |
| Cash EPS | 1.7 | 7.7 | 9.8 | 15.1 | 20.0 | 34.7 | 37.7 | 42.5 |
| BV/Share | 18.1 | 23.9 | 31.0 | 45.3 | 114.5 | 144.6 | 176.9 | 213.4 |
| Valuation (x) | | | | | | | | |
| P/E | -1009.9 | 97.6 | 72.4 | 43.8 | 33.0 | 18.9 | 17.8 | 15.7 |
| Cash P/E | 339.5 | 74.3 | 58.9 | 38.1 | 28.8 | 16.6 | 15.2 | 13.5 |
| EV/Sales | 3.7 | 2.8 | 1.6 | 1.2 | 1.0 | 0.7 | 0.5 | 0.5 |
| EV/EBITDA | 124.2 | 63.2 | 57.2 | 26.2 | 20.8 | 12.0 | 10.2 | 8.7 |
| P/BV | 31.7 | 24.1 | 18.6 | 12.7 | 5.0 | 4.0 | 3.3 | 2.7 |
| Dividend Yield (%) | | | | | | | | |
| Return Ratios (%) | | | | | | | | |
| RoE | -3.1 | 28.0 | 28.9 | 34.5 | 22.6 | 23.5 | 20.1 | 18.7 |
| RoCE | -9.5 | 16.6 | 18.4 | 22.3 | 15.4 | 15.5 | 13.0 | 12.6 |
| RoIC | -10.2 | 17.8 | 20.0 | 24.3 | 18.8 | 18.7 | 15.6 | 15.7 |
| Working Capital Ratios | | | | | | | | |
| Inventory days | 130 | 96 | 53 | 46 | 71 | 96 | 109 | 109 |
| Debtor (Days) | 6 | 4 | 3 | 2 | 2 | 2 | 3 | 4 |
| Payables days | 7 | 17 | 12 | 8 | 10 | 14 | 18 | 18 |
| Cash conversion days | 137 | 95 | 61 | 57 | 78 | 92 | 100 | 99 |
| Inventory turnover (x) | 2.8 | 3.8 | 6.9 | 7.9 | 5.2 | 3.8 | 3.4 | 3.3 |
| Asset Turnover (x) | 3.5 | 4.1 | 6.5 | 6.1 | 3.1 | 2.9 | 3.0 | 2.9 |
| Leverage Ratio | | | | | | | | |
| Net Debt/Equity (x) | 1.4 | 1.0 | 0.7 | 0.7 | 0.5 | 0.8 | 0.7 | 0.6 |

Cash Flow Statement

| Y/E March | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027E | 2028E |
|------------------------------|---------------|-------------|--------------|-------------|---------------|-------------|---------------|---------------|
| (INR m) | | | | | | | | |
| OP/(loss) before Tax | 66 | 850 | 1,181 | 2,084 | 2,931 | 5,519 | 5,846 | 6,622 |
| Int./Div. Received | 10 | -53 | -14 | -39 | -184 | -403 | -700 | -725 |
| Depreciation & Amort. | 267 | 218 | 215 | 232 | 348 | 572 | 742 | 813 |
| Interest Paid | 379 | 351 | 349 | 459 | 430 | 916 | 1,101 | 1,214 |
| Direct Taxes Paid | 70 | -92 | -363 | -380 | -833 | -1,337 | -1,467 | -1,662 |
| Incr in WC | 682 | -557 | -814 | -2,496 | -2,379 | -4,870 | -1,969 | -2,819 |
| Others | -3 | 9 | 493 | 204 | 82 | -24 | - | - |
| CF from Operations | 1,473 | 728 | 1,048 | 63 | 395 | 374 | 3,553 | 3,444 |
| Incr in FA | -336 | -52 | -480 | -305 | -525 | -650 | -760 | -937 |
| Free Cash Flow | 1,137 | 676 | 568 | -242 | -130 | -277 | 2,793 | 2,506 |
| Investments | 65 | -179 | 12 | -216 | -3,892 | -276 | - | - |
| Others | 10 | 15 | 18 | 33 | 176 | 389 | -1,084 | -747 |
| CF from Invest. | -261 | -216 | -450 | -488 | -4,241 | -537 | -1,844 | -1,685 |
| Issue of Shares | 628 | - | - | - | 177 | - | - | - |
| Incr in Debt | -1,445 | -33 | -117 | 1,133 | -2,884 | 23 | - | - |
| Dividend Paid | - | - | - | - | - | - | - | - |
| Interest paid | - | - | - | - | - | - | - | - |
| Others | -463 | -424 | -428 | -623 | 7,227 | -379 | -934 | -1,047 |
| CF from Fin. Activity | -1,281 | -457 | -546 | 510 | 4,520 | -356 | -934 | -1,047 |
| Incr/Decr of Cash | -69 | 54 | 52 | 85 | 675 | -519 | 775 | 712 |
| Add: Opening Balance | 138 | 69 | 124 | 176 | 261 | 935 | 416 | 1,192 |
| Closing Balance | 69 | 124 | 176 | 261 | 935 | 416 | 1,192 | 1,903 |

E: MOSL Estimates

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| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| 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 |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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