27 July 2026

1QFY27 Results Update | Sector: Retail

Vedant Fashions

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	MANYAVAR IN
Equity Shares (m)	243
M.Cap.(INRb)/(USDb)	98.9 / 1
52-Week Range (INR)	804 / 329
1, 6, 12 Rel. Per (%)	-1/-13/-45
12M Avg Val (INR M)	143

Financials & Valuations Consol (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	15.0	15.9	16.9
EBITDA	6.5	7.0	7.5
Adj. PAT	3.9	4.3	4.6
EBITDA Margin (%)	43.5	44.0	44.5
Adj. EPS (INR)	16.0	17.7	18.9
EPS Gr. (%)	3.2	10.4	7.2
BV/Sh. (INR)	86.4	95.8	105.6
Ratios			
Net D:E	(0.5)	(0.6)	(0.6)
RoE (%)	18.0	17.9	17.4
RoCE (%)	17.2	17.5	17.1
Payout (%)	50.0	50.0	50.0
Valuations			
P/E (x)	25.3	23.0	21.4
EV/EBITDA (x)	15.4	13.9	12.7
EV/Sales (X)	6.7	6.1	5.6
Div. Yield (%)	2.0	2.2	2.3

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	74.9	74.9	75.0
DII	13.2	12.6	11.1
FII	8.0	8.3	9.9
Others	3.9	4.2	4.1

FII Includes depository receipts

CMP: INR407 TP: INR460 (+13%) Neutral

Resilient quarter, but await sustainable demand recovery

- Vedant Fashions (VFL) delivered a decent 1QFY27 with ~3.4% YoY/~7% YoY growth in customer sales/revenue, despite the lack of weddings for a month due to Adhikmaas.
- Despite a ~125bp YoY gross margin contraction (linked to GST rate changes), reported EBITDA grew 9% YoY (12% beat) and margin expanded ~60bp, aided by robust cost controls.
- Net retail area declined by ~15k sqft as VFL prioritized store closures ahead of the lull period. Management reiterated its focus on improving the quality of retail network and expects to accelerate gross store expansions, alongside the recovery in demand momentum (likely in 2HFY27).
- We fine-tune our FY27-28 estimates and now forecast a ~6-7% CAGR in revenue, EBITDA and PAT over FY26-29E.
- Following a steep correction, VFL now trades at ~25x FY27E EPS, undemanding for a franchise generating ~INR3b annual FCF and ~18% RoE. While valuations have meaningfully reset, VFL's growth has stagnated and profitability has weakened since FY23.
- **Maintain Neutral with a revised TP of INR460, premised on 25x Sep'28E EPS (earlier Jun'28).** We await evidence of a sustainable demand recovery and earnings acceleration before turning constructive on the stock.

Decent beat on our muted expectations

- Customer sales grew 3.4% YoY to INR4.2b despite the lack of weddings for a month due to Adhikmaas, though they remained 16% below 1QFY23 levels.
- SSSG stood at 3.8% (vs. 17.6% in 1QFY26 and ~2.7% in FY26), with equal contributions from price hikes and volume.
- Revenue growth was higher than customer sales growth at ~7% YoY to INR3b (6% ahead), though it remained below 1QFY23 and 1QFY24 levels.
- Network expansion was muted as VFL net closed ~15k sqft, taking the total area to 1.77m sqft (-1% YoY). Store count stood at 651 (-18 QoQ, -33 YoY) as it closed seven domestic EBOs, eight SIS and three international EBOs.
- Gross profit (incl of job charges) grew ~5% YoY to INR1.98b as gross margin (GM) contracted ~125bp YoY to 65.7%.
- Employee expenses declined ~3% YoY, while other expenses remained broadly flat YoY, reflecting continued cost discipline.
- Reported EBITDA stood at INR1.3b, up ~9% YoY (12% beat). EBITDA margin expanded ~60bp YoY to 43.5% (~235bp beat), driven by better growth and operating leverage.
- Depreciation and amortization increased ~6% YoY, while finance costs declined ~8% YoY and other income grew ~15%.
- Reported PAT grew 15% YoY to INR806m (25% beat), aided by higher EBITDA and lower D&A. 1QFY27 PAT was still lower than 1QFY24 and 1QFY23 levels.

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Highlights from the management commentary

- **Strategic priorities:** Management's focus remains on improving the quality of retail network and not just store expansion. It expects LFL growth to pick up meaningfully in 2HFY27 and would then follow up with the acceleration in store openings, provided the rentals remain reasonable. Overall, management expects net positive retail area additions in FY27, despite potential 3-4% store closures.
- **SSSG:** Management indicated that pricing and volume contributed equally toward ~3.8% domestic EBO SSSG during 1QFY27, with Mohey and Twamev outperforming the company-level SSSG. For FY27, VFL targets healthy high-single-digit SSSG, driven by rising salience of premium products, ASP increases and higher focus on repeat purchases.
- **Competitive intensity:** Management believes competitive intensity is easing as store closures by 2-3-year-old players now exceed new openings in several key markets. Internal research across major states (8 states) indicates a net decline in competing stores. Management noted that celebration wear remains a tough industry to operate in due to significant pressure of dead-stock, though VFL has an edge with just ~3% dead-stock and superior margins.
- **Wedding calendar:** Management expects the overall wedding calendar in FY27 to be slightly better than FY26. September and October may remain softer due to the delayed festive and thereby weddings, but November to March should witness strong demand (vs. no wedding dates in Jan during FY26).

Valuation and view

- Over the past few years, VFL's sales have stagnated (<3% CAGR since FY23) due to higher competition, subdued demand sentiment in mid-premium categories, and an uneven wedding calendar.
- While the wedding calendar creates quarterly fluctuations, VFL's growth has been structurally weak for the past few years despite a largely stable number of wedding days in FY24 and FY26 (refer: Exhibit 4 and 5).
- We believe rising organized competition in ethnic wear, coupled with a slower-than-expected shift from unorganized to organized in ethnic wear, has been the key headwind for VFL.
- We fine-tune our FY27-28 estimates and now forecast a ~6-7% CAGR in revenue, EBITDA and PAT over FY26-29E.
- Following a steep correction, VFL now trades at ~25x FY27E EPS, undemanding for a franchise generating ~INR3b annual FCF and ~18% RoE. While valuations have meaningfully reset, VFL's growth has stagnated and profitability has weakened since FY23.
- **Maintain Neutral with a revised TP of INR460 (earlier INR440), premised on 25x Sep'28E EPS (earlier Jun'28).** We await evidence of a sustainable demand recovery and earnings acceleration before turning constructive on the stock.

Exhibit 1: Valuation based on Sep'28E P/E

Valuation	Sep'28E
EPS	18.3
PE multiple (x)	25
Target Price (INR)	**460**
CMP (INR)	406
Upside (%)	**13.5%**

Source: MOFSL, Company

Quarterly Earnings Snapshot

(INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Revenue	**2,812**	**2,632**	**4,917**	**3,994**	**3,014**	**2,578**	**4,939**	**4,444**	**14,355**	**14,975**	**2,843**	**6.0**
YoY Change (%)	17.2	-1.8	-3.8	8.7	7.2	-2.0	0.5	11.3	3.5	4.3		
Total Expenditure	1,606	1,524	2,720	2,206	1,704	1,535	2,797	2,432	8,055	8,468	1,675	1.7
EBITDA	**1,206**	**1,108**	**2,197**	**1,788**	**1,310**	**1,043**	**2,142**	**2,012**	**6,299**	**6,507**	**1,168**	**12.1**
EBITDA margins (%)	**42.9**	**42.1**	**44.7**	**44.8**	**43.5**	**40.4**	**43.4**	**45.3**	**43.9**	**43.5**	**41.1**	
Change YoY (%)	7.0	-9.2	-9.3	7.9	8.6	-5.9	-2.5	12.5	-2.0	3.3		
Depreciation	398	417	442	439	422	435	443	497	1,696	1,798	452	-6.6
Interest	141	150	140	132	130	130	130	130	563	519	142	-9.0
Other Income	258	199	214	263	297	223	240	246	935	1,006	289	2.6
PBT before EO expense	**925**	**740**	**1,829**	**1,481**	**1,055**	**701**	**1,809**	**1,631**	**4,975**	**5,197**	**863**	**22.3**
Tax	222	180	464	338	249	177	455	427	1,204	1,308	217	14.7
Rate (%)	24.1	24.3	25.6	22.8	23.6	25.2	25.2	26.2	24.3	25.2	25.2	-6.2
Reported PAT	**703**	**561**	**1,349**	**1,143**	**806**	**525**	**1,354**	**1,204**	**3,755**	**3,889**	**646**	**24.8**
Adj PAT	**703**	**561**	**1,361**	**1,143**	**806**	**525**	**1,354**	**1,204**	**3,768**	**3,889**	**646**	**24.8**
YoY Change (%)	12	-16	-14	13	15	-6	-1	5	-3	3		

E: MOFSL Estimates

Exhibit 2: Quarterly performance (INR m)

	1QFY26	4QFY26	1QFY27	YoY%	QoQ%	1QFY27E	v/s Est (%)
Total Revenue	**2,812**	**3,994**	**3,014**	**7**	**-25**	**2,843**	**6**
Raw Material cost	777	1,222	886	14	-28	824	7
Gross Profit	**2,035**	**2,772**	**2,128**	**5**	**-23**	**2,018**	**5**
Gross margin (%)	**72.4**	**69.4**	**70.6**	**-176.8**	**120.7**	**71.0**	**-39.5**
Employee Costs	156	157	152	-3	-3	159	-4
Other expenses	673	827	666	-1	-19	692	-4
EBITDA	**1,206**	**1,788**	**1,310**	**9**	**-27**	**1,168**	**12**
EBITDA margin (%)	**42.9**	**44.8**	**43.5**	**58.0**	**-131.0**	**41.1**	**237.4**
Depreciation and amortization	398	439	422	6	-4	452	-7
EBIT	808	1,350	888	10	-34	716	24
EBIT margin (%)	28.7	33.8	29.5	72.4	-432.9	25.2	426.8
Finance Costs	141	132	130	-8	-2	142	-9
Other income	258	263	297	15	13	289	3
Exceptional item			0	NM	NM	0	NM
Profit before Tax	**925**	**1,481**	**1,055**	**14**	**-29**	**863**	**22**
Tax	222	338	249	12	-26	217	15
Tax rate (%)	24.1	22.8	23.6			25.2	-6.2
Profit after Tax	**703**	**1,143**	**806**	**15**	**-29**	**646**	**25**
Adj Profit after Tax	**703**	**1,143**	**806**	**15**	**-29**	**646**	**25**

Source: MOFSL, Company

Operating metrics	1QFY26	4QFY26	1QFY27	YoY%	QoQ%
SSSG (%)	**17.6%**	**4.6%**	**3.8%**		
Retail area (m sqft)	**1.78**	**1.79**	**1.77**	**-1**	**-1**
Total stores	**684**	**669**	**651**	**-5**	**-3**
Net store adds	6	5	-18	NM	NM
EBOs	**530**	**525**	**515**	**-3**	**-2**
Domestic	516	508	501	-3	-1
International	14	17	14	0	-18
SIS	**154**	**144**	**136**	**-12**	**-6**

Exhibit 3: Summary of key estimates for VFL

(INR m)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Stores	**583**	**649**	**676**	**678**	**669**	**660**	**675**	**700**
Net Adds	53	66	27	2	-9	-9	15	25
Area	1.30	1.47	1.70	1.79	1.79	1.82	1.86	1.93
% YoY	18%	13%	16%	5%	0%	1%	2%	4%
Revenue per sq ft	8,674	9,783	8,628	7,945	8,019	8,251	8,574	8,771
YoY Growth %	1%	13%	-12%	-8%	1%	3%	4%	2%
Sales of Customers	**14,736**	**18,614**	**18,527**	**18,929**	**20,081**	**20,727**	**21,952**	**23,288**
% YoY	76%	26%	0%	2%	6%	3%	6%	6%
Revenues	**10,408**	**13,549**	**13,675**	**13,865**	**14,355**	**14,975**	**15,915**	**16,884**
% YoY	84%	30%	1%	1%	4%	4%	6%	6%
Gross Profit (incl job work)	6,958	9,127	9,186	9,315	9,424	9,733	10,368	11,025
% Margin	66.9%	67.4%	67.2%	67.2%	65.7%	65.0%	65.1%	65.3%
EBITDA	**4,959**	**6,708**	**6,581**	**6,426**	**6,299**	**6,507**	**7,003**	**7,513**
% YoY	104%	35%	-2%	-2%	-2%	3%	8%	7%
% Margin	47.6%	49.5%	48.1%	46.3%	43.9%	43.5%	44.0%	44.5%
PAT	**3,149**	**4,291**	**4,142**	**3,885**	**3,755**	**3,889**	**4,293**	**4,602**
% YoY	137%	36%	-3%	-6%	-3%	4%	10%	7%
% Margin	30.3%	31.7%	30.3%	28.0%	26.2%	26.0%	27.0%	27.3%

Source: MOFSL, Company

Wedding calendar to support demand through 2HFY27

Demand remained resilient during 1QFY27 despite having relatively fewer wedding days (24 vs. 29 in 1QFY26). Wedding days were well distributed across April, May and June, with one month of Adhikmaas in the middle. Compared to FY26, there are higher wedding dates in July in FY27, which should help deliver better 2QFY27. Due to the delayed festive season, weddings will start later in 2HFY27 but will pick up in 4QFY27 and 1QFY28. However, we believe wedding calendar changes can cause quarterly volatility, but VFL's performance has remained tepid over a fairly long period now, which seems to be a more structural issue.

Exhibit 4: Month-wise wedding date trends

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	CY
2023	9	13	6	-	12	11	-	-	-	-	5	7	**63**
2024	9	11	10	3	-	-	6	-	-	-	11	5	**55**
2025	10	14	5	9	15	5	-	-	-	-	14	3	**75**
2026	-	12	8	8	8	8	5	-	-	-	4	7	**60**
2027	9	13	7	9	19	16	5	-	-	-	11	7	**96**

Source: Company, MOFSL

Exhibit 5: Correlation between no of wedding dates and revenue growth

	No of wedding dates					% YoY revenue growth				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
FY23	39	6	6	28	**79**	119.1	20.0	(2.9)	21.3	**30.2**
FY24	23	-	12	30	**65**	(15.6)	(8.2)	11.1	5.9	**0.9**
FY25	3	6	16	29	**54**	(21.9)	23.9	9.0	1.9	**1.4**
FY26	29	-	17	20	**66**	23.2	4.6	(2.4)	7.8	**3.5**
FY27E	24	5	11	29	**69**	3.4				**4.3**

*FY27 revenue growth is our estimate

Source: Company, MOFSL

Exhibit 6: Our estimate change summary

	FY27E	FY28E	FY29E
Revenue (INR m)			
Old	15,031	16,216	-
Actual/New	14,975	15,915	16,884
Change (%)	-0.4	-1.9	-
EBITDA (INR m)			
Old	6,531	7,143	-
Actual/New	6,507	7,003	7,513
Change (%)	-0.4	-2.0	-
Margin (%)			
Old	43.5	44.1	-
Actual/New	43.5	44.0	44.5
Change (bp)	0	-5	-
Net Profit (INR m)			
Old	3,792	4,194	-
Actual/New	3,889	4,293	4,602
Change (%)	2.5	2.4	-
EPS (INR)			
Old	15.6	17.3	-
Actual/New	16.0	17.7	18.9
Change (%)	2.5	2.4	-

Source: MOFSL, Company

CONFERENCE CALL

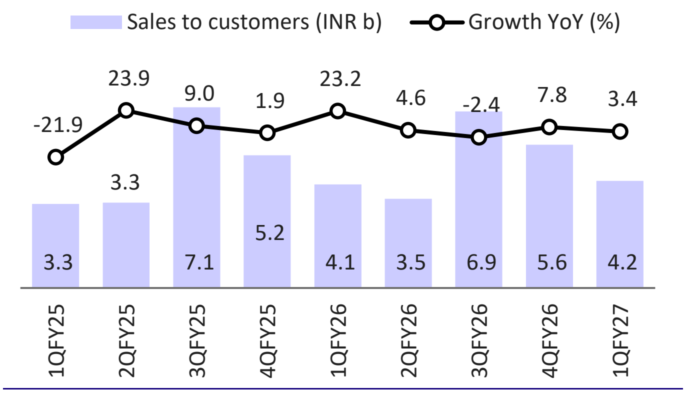
Detailed takeaways from the management interaction

- **Strategic priorities:** Management's focus remains on improving the quality of retail network and not just store expansion. It expect LFL growth to meaningfully pick up in 2HFY27 and would then follow up with the acceleration in store openings, provided the rentals remain reasonable. Overall, management expects net positive retail area addition in FY27 despite potential 3-4% store closures.
- **SSSG:** Management indicated that pricing and volume contributed equally toward ~3.8% domestic EBO SSSG during 1QFY27, with Mohey and Twamev outperforming the company-level SSSG. For FY27, VFL targets healthy high-single-digit SSSG, driven by rising salience of premium products, ASP increases and higher focus on repeat purchases.
- **Reasons for store closures:** With the expectations of a weak 2Q (delayed festive and wedding season), the store closures were strategically undertaken in 1Q. The key reasons for store closures have been the shift in demand to a new market within the city, opening up of a larger store in a nearby larger city and wrong store selection from the outset. Competitive intensity has not been a prominent reason for store closures so far.
- **Franchisee economics:** Management stated that franchisee economics was great earlier and still remains attractive. It indicated that sales productivity required for a franchise to make good returns remains in the range of INR7k/sqft in Tier 3 city, ~INR8.5k/sqft for Tier 2 and INR10-10.5k/sqft in Tier 1 cities. The capex ranges around ~INR 2,100-2,500/sqft depending on the markets. Strong franchisee ROI has ensured that partner availability is not a constraint for store expansion.
- **Gross margin:** Gross margin improved sequentially to 65.7% in 1Q but remained lower YoY, affected by GST-related changes implemented during Sep'25. Management expects margin comparisons to normalize once the GST impact is fully reflected in the base.
- **Branding and marketing**: Management continues to strengthen brand equity through celebrity-led campaigns, influencer collaborations, and targeted digital marketing across its portfolio. The flagship "Made for Each Other" campaign generated over one billion views, significantly improving brand recall and visibility. Management expects the benefits of such campaigns to accrue over the next 5-6 years rather than immediately. Going forward, marketing spend will shift toward conversion-led campaigns aimed at driving store footfalls and product engagement.
- **SIS and international:** The company has created a dedicated leadership team for its SIS/MBO (5% revenue contribution) to drive focused execution. Management expects a strong 2Q for the SIS segment, while international operations should recover as geopolitical and tariff-related headwinds ease. UAE and North America remain the key overseas growth markets.
- **Customer retention:** Customer retention and repeat purchase metrics continued to improve during 1Q. The company has established a dedicated task force focused exclusively on increasing repeat business.
- **Inventory:** Inventory management remained efficient, with inventory days at just 34 at the end of 1QFY27.

- **Mohey:** Mohey continued to outperform the overall business, supported by a strong focus on non-bridal categories such as sarees, stich suits and lehengas. Management plans to further expand these categories and increase digital marketing efforts.
- **Divas:** Management remains optimistic about the Divas brand following encouraging dealer feedback and strong 2Q bookings. The company has strengthened its online presence through partnerships with Myntra, Amazon, Blinkit and Zepto. Better supply chain planning and inventory readiness should support growth during the festive season.
- **Competitive intensity:** Management believes competitive intensity is easing as store closures by 2-3-year-old players now exceed new openings in several key markets. Internal research across major states (eight states) indicates a net decline in competing stores. Management noted that celebration wear remains a tough industry to operate in due to significant pressure of dead-stock, though VFL has an edge with just ~3% dead-stock and superior margins.
- **Wedding calendar:** Management expects the overall wedding calendar in FY27 to be slightly more favorable than FY26. September and October may remain softer due to the delayed festive and thereby weddings, but November to March should witness strong demand (vs. no wedding dates in Jan during FY26).

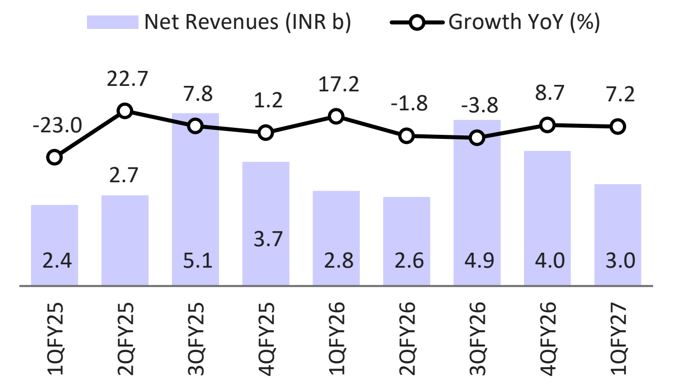
Story in charts

Exhibit 7: Customer sales grew ~3.4% YoY



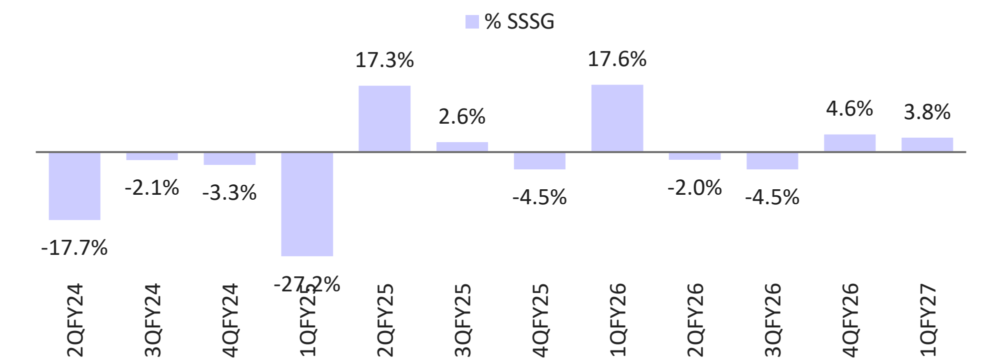
Source: MOFSL, Company

Exhibit 8: Net revenue increased ~7% YoY



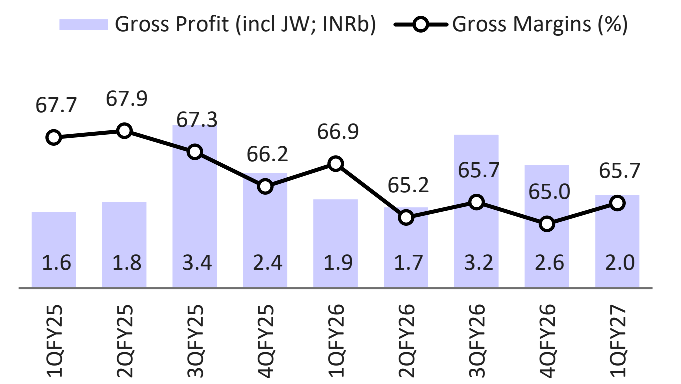
Source: MOFSL, Company

Exhibit 9: SSG at 3.8% in 1QFY27



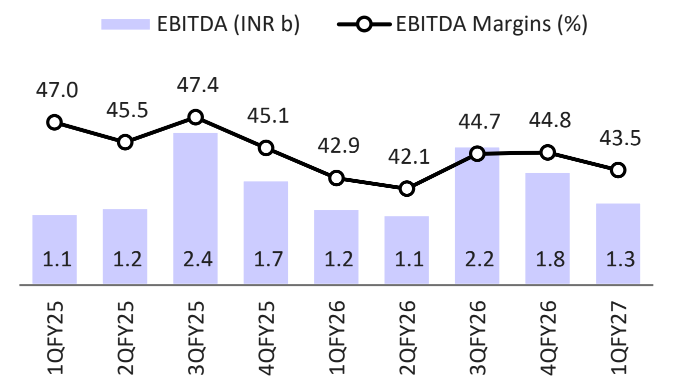
Source: MOFSL, Company

Exhibit 10: Gross margin (incl. job work) declined 120bp YoY



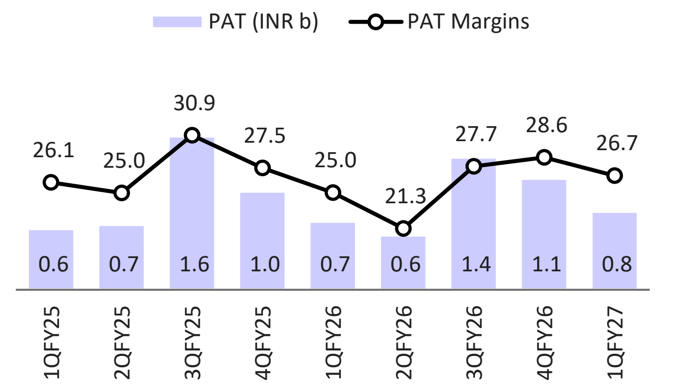
Source: MOFSL, Company

Exhibit 11: EBITDA margin expanded ~50bp YoY to 43.5%



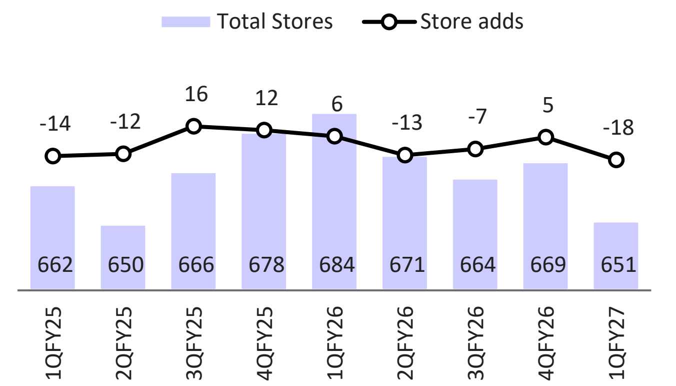
Source: MOFSL, Company

Exhibit 12: PAT rose ~15% YoY



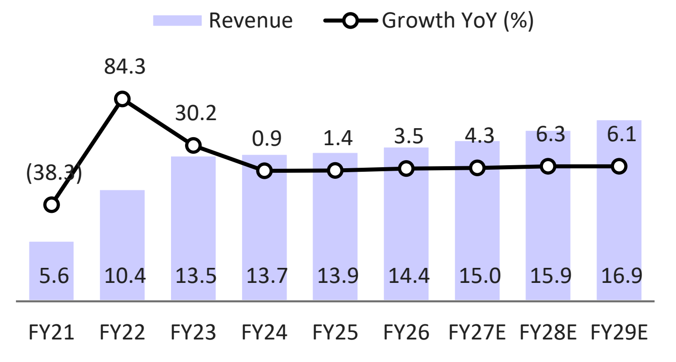
Source: MOFSL, Company

Exhibit 13: 18 net store closures in 1QFY27



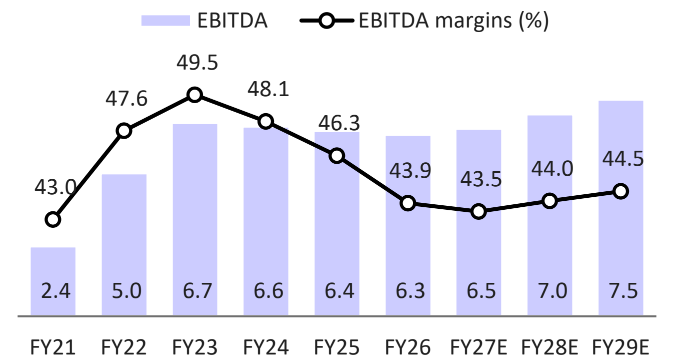
Source: MOFSL, Company

Exhibit 14: Expect revenue CAGR of ~6% over FY26-29E



Source: MOFSL, Company

Exhibit 15: Expect 6% EBITDA CAGR- FY26-29E



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Total Income from Operations	**10,408**	**13,549**	**13,675**	**13,865**	**14,355**	**14,975**	**15,915**	**16,884**
Change (%)	84.3	30.2	0.9	1.4	3.5	4.3	6.3	6.1
Raw Materials	2,668	3,519	3,792	3,691	4,220	4,493	4,735	4,981
Gross Profit	**7,740**	**10,030**	**9,883**	**10,174**	**10,135**	**10,483**	**11,180**	**11,903**
Margin (%)	74.4	74.0	72.3	73.4	70.6	70.0	70.3	70.5
Gross Profit (Incl Job Work)	**6,958**	**9,127**	**9,186**	**9,315**	**9,424**	**9,733**	**10,368**	**11,025**
Margin (%)	66.9	67.4	67.2	67.2	65.7	65.0	65.1	65.3
Employees Cost	575	566	568	598	644	666	692	718
Other Expenses	2,206	2,755	2,735	3,150	3,191	3,309	3,485	3,672
Total Expenditure	**5,450**	**6,841**	**7,094**	**7,439**	**8,055**	**8,468**	**8,912**	**9,371**
% of Sales	52.4	50.5	51.9	53.7	56.1	56.6	56.0	55.5
EBITDA	**4,959**	**6,708**	**6,581**	**6,426**	**6,299**	**6,507**	**7,003**	**7,513**
Margin (%)	47.6	49.5	48.1	46.3	43.9	43.5	44.0	44.5
Depreciation	944	1,038	1,349	1,531	1,696	1,798	1,904	2,107
EBIT	**4,015**	**5,671**	**5,232**	**4,895**	**4,604**	**4,709**	**5,099**	**5,407**
Int. and Finance Charges	284	315	445	552	563	519	489	518
Other Income	499	402	697	852	935	1,006	1,127	1,262
PBT bef. EO Exp.	**4,230**	**5,758**	**5,484**	**5,195**	**4,975**	**5,197**	**5,737**	**6,151**
EO Items	0	0	0	0	16	0	0	0
PBT after EO Exp.	**4,230**	**5,758**	**5,484**	**5,195**	**4,959**	**5,197**	**5,737**	**6,151**
Total Tax	1,081	1,467	1,342	1,310	1,204	1,308	1,444	1,548
Tax Rate (%)	25.6	25.5	24.5	25.2	24.3	25.2	25.2	25.2
Reported PAT	**3,149**	**4,291**	**4,142**	**3,885**	**3,755**	**3,889**	**4,293**	**4,602**
Adjusted PAT	**3,149**	**4,291**	**4,142**	**3,885**	**3,768**	**3,889**	**4,293**	**4,602**
Change (%)	136.9	36.3	-3.5	-6.2	-3.0	3.2	10.4	7.2
Margin (%)	30.3	31.7	30.3	28.0	26.2	26.0	27.0	27.3

Consolidated - Balance Sheet								(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Equity Share Capital	243	243	243	243	243	243	243	243
Total Reserves	10,585	13,756	15,776	17,620	19,400	21,408	23,757	26,213
Net Worth	**10,827**	**13,999**	**16,019**	**17,863**	**19,643**	**21,651**	**24,000**	**26,456**
Total Loans	2,787	2,934	4,444	4,829	4,576	3,753	3,755	4,186
Lease Liabilities	2,787	2,934	4,444	4,829	4,576	3,753	3,755	4,186
Deferred Tax Liabilities	168	197	219	262	192	192	192	192
Other Liabilities	1,335	1,539	1,855	1,925	1,851	1,851	1,851	1,851
Capital Employed	**15,118**	**18,669**	**22,537**	**24,879**	**26,263**	**27,447**	**29,798**	**32,685**
Gross Block	7,845	8,620	11,089	11,334	13,663	14,313	15,663	17,513
Less: Accum. Deprn.	2,856	3,573	4,612	4,612	7,226	9,023	10,927	13,034
Net Fixed Assets	**4,989**	**5,047**	**6,477**	**6,722**	**6,437**	**5,290**	**4,736**	**4,480**
Other Non-Current	867	882	320	318	285	285	285	285
Capital WIP	1	22	1	1	1	1	1	1
Total Investments	**5,608**	**8,501**	**10,410**	**11,451**	**13,167**	**13,167**	**13,167**	**13,167**
Curr. Assets, Loans&Adv.	**6,219**	**7,201**	**7,875**	**8,975**	**8,637**	**11,081**	**14,128**	**17,419**
Inventory	1,430	1,736	1,386	2,020	1,446	1,509	1,603	1,701
Account Receivables	3,967	4,734	5,645	6,186	6,512	6,793	7,219	7,659
Cash and Bank Balance	39	100	217	172	111	2,180	4,669	7,383
Loans and Advances	783	630	627	597	569	599	637	675
Curr. Liability & Prov.	**2,580**	**2,991**	**2,550**	**2,586**	**2,265**	**2,376**	**2,519**	**2,666**
Account Payables	730	859	891	1,023	624	665	701	737
Other Current Liabilities	1,845	2,130	1,656	1,560	1,633	1,703	1,810	1,921
Provisions	4	2	3	3	7	8	8	9
Net Current Assets	**3,639**	**4,210**	**5,325**	**6,389**	**6,372**	**8,705**	**11,609**	**14,752**
Deferred Tax assets	13	7	4	0	0	0	0	0
Appl. of Funds	**15,118**	**18,669**	**22,537**	**24,879**	**26,263**	**27,447**	**29,798**	**32,685**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Basic (INR)								
EPS	**13.0**	**17.7**	**17.0**	**16.0**	**15.5**	**16.0**	**17.7**	**18.9**
Cash EPS	16.3	21.3	21.9	21.6	21.8	22.7	24.7	26.8
BV/Share	43.2	55.9	64.0	71.3	78.4	86.4	95.8	105.6
DPS	5.0	9.0	8.5	8.0	7.7	8.0	8.8	9.5
Payout (%)	38.5	50.9	49.8	50.0	50.1	50.0	50.0	50.0
Valuation (x)								
P/E	31.3	23.0	23.8	25.4	26.2	25.3	23.0	21.4
Cash P/E	24.8	19.1	18.5	18.8	18.6	17.9	16.4	15.1
P/BV	9.4	7.3	6.3	5.7	5.2	4.7	4.2	3.8
EV/Sales	9.7	7.5	7.5	7.4	7.2	6.7	6.1	5.6
EV/EBITDA	20.4	15.1	15.6	16.1	16.4	15.4	13.9	12.7
Dividend Yield (%)	1.2	2.2	2.1	2.0	1.9	2.0	2.2	2.3
FCF per share	14.9	19.6	20.0	15.9	19.3	19.9	20.8	22.4
Return Ratios (%)								
RoE	29.0	34.6	27.6	22.9	19.2	18.0	17.9	17.4
RoCE	25.2	29.6	23.9	19.9	17.9	17.2	17.5	17.1
RoIC	33.3	43.3	36.0	29.1	26.6	28.1	31.7	33.6
Working Capital Ratios								
Fixed Asset Turnover (x)	1.3	1.6	1.2	1.2	1.1	1.0	1.0	1.0
Asset Turnover (x)	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.5
Inventory (Days)	196	180	133	200	125	123	124	125
Debtor (Days)	139	128	151	163	166	166	166	166
Creditor (Days)	100	89	86	101	54	54	54	54
Leverage Ratio (x)								
Current Ratio	2.4	2.4	3.1	3.5	3.8	4.7	5.6	6.5
Interest Cover Ratio	14.1	18.0	11.8	8.9	8.2	9.1	10.4	10.4
Net Debt/Equity	-0.3	-0.4	-0.4	-0.4	-0.4	-0.5	-0.6	-0.6

Consolidated - Cash Flow Statement **(INR m)**

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY28E
OP/(Loss) before Tax	4,230	5,758	5,484	5,195	4,959	5,197	5,737	6,151
Depreciation	944	1,038	1,349	1,531	1,696	1,798	1,904	2,107
Interest & Finance Charges	284	315	454	433	436	519	489	518
Direct Taxes Paid	-1,090	-1,472	-1,301	-1,256	-1,245	-1,308	-1,444	-1,548
(Inc)/Dec in WC	-450	-569	-498	-1,315	-263	-263	-415	-429
CF from Operations	**3,918**	**5,070**	**5,488**	**4,588**	**5,583**	**5,942**	**6,270**	**6,798**
Others	-408	-372	-657	-702	-768	-1,006	-1,127	-1,262
CF from Operating incl EO	**3,510**	**4,698**	**4,831**	**3,886**	**4,814**	**4,936**	**5,143**	**5,537**
(Inc)/Dec in FA	109	57	13	-31	-123	-100	-100	-100
Free Cash Flow	**3,619**	**4,755**	**4,844**	**3,855**	**4,691**	**4,836**	**5,043**	**5,437**
(Pur)/Sale of Investments	37	-2,492	-1,149	-408	-1,227	0	0	0
Others	418	116	41	281	330	1,006	1,127	1,262
CF from Investments	**565**	**-2,319**	**-1,096**	**-159**	**-1,020**	**906**	**1,027**	**1,162**
Issue of Shares	47	15	31	23	12	0	0	0
Inc/(Dec) in Debt	0	0	0	0	0	0	0	0
Interest Paid	-223	-241	-337	-434	-436	-519	-489	-518
Repayment of loan	0	0	0	0	0	0	0	0
Others	-3,928	-2,091	-3,310	-3,360	-3,432	-3,254	-3,192	-3,466
CF from Fin. Activity	**-4,105**	**-2,317**	**-3,616**	**-3,772**	**-3,856**	**-3,772**	**-3,681**	**-3,984**
Inc/Dec of Cash	**-30**	**62**	**119**	**-45**	**-61**	**2,069**	**2,489**	**2,715**
Opening Balance	66	36	98	217	172	111	2,180	4,669
Closing Balance	**36**	**98**	**217**	**172**	**111**	**2,180**	**4,669**	**7,383**
Other Bank Balance	**3**	**3**	**0**	**0**	**0**	**0**	**0**	**0**
Net Closing Balance	**39**	**100**	**217**	**172**	**111**	**2,180**	**4,669**	**7,383**

N O T E S

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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

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

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