

# Vedant Fashions

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR1,250 TP: INR1,435 (+15%) BUY**

Bloomberg	MANYAVAR IN
Equity Shares (m)	243
M.Cap.(INRb)/(USDb)	303.2 / 3.7
52-Week Range (INR)	1501 / 905
1, 6, 12 Rel. Per (%)	5/-13/11
12M Avg Val (INR M)	151

## Healthy SSSG boosts profitability

- Vedant Fashions (VFL) reported a healthy quarter, with revenue/PAT growth of 15%/23% (13% beat) led by steady 11% growth in store additions and cost optimization (including a reduction in director remuneration). Growth of 21% in sales to customers and SSSG of 14% in 4QFY23 (~7% revenue growth for 2HFY23) are positive factors after a 3% decline in customer sales witnessed in 3QFY23 as wedding dates shifted to 4QFY23.
- A consistent 15% CAGR in footprint addition over FY23-25 and 5% SSSG should translate into consolidated revenue/EBITDA CAGRs of 20%/21%. Positive commentary on emerging brands (Mohey and Twamev) and plans to launch 8-10 independent stores offer an upward bias. **We retain our BUY rating with a TP of INR1,435.**

### Financials & Valuations Consol (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	13.5	16.2	19.6
EBITDA	6.7	8.1	9.7
Adj. PAT	4.3	5.2	6.4
EBITDA Margin (%)	49.5	49.8	49.7
Adj. EPS (INR)	17.7	21.4	26.2
EPS Gr. (%)	36.2	21.1	22.3
BV/Sh. (INR)	55.9	68.3	83.6

### Ratios

Net D:E	(0.4)	(0.4)	(0.5)
RoE (%)	34.6	33.4	33.4
RoCE (%)	29.6	29.2	29.4
Payout (%)	50.9	40.0	40.0

### Valuations

P/E (x)	70.7	58.4	47.7
EV/EBITDA (x)	45.7	37.7	31.0
EV/Sales (X)	22.6	18.8	15.4
Div. Yield (%)	0.7	0.7	0.8
FCF Yield (%)	1.6	1.6	2.2

### Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	84.9	84.9	84.9
DII	9.9	9.7	9.9
FII	3.4	3.4	3.5
Others	1.8	2.0	1.8

FII Includes depository receipts

## PAT growth of 23% YoY aided by revenue growth and cost control

- Net revenue grew by 15% YoY to INR3.4b (in line), led by 11% store growth YoY and 14% SSSG YoY.
- Total sales to customers grew 21% YoY to INR4.8b v/s a 3% decline in 3QFY23 as the shift in wedding dates was witnessed to 4QFY23.
- Blended revenue per sqft grew by 1% to INR2,390 and revenue per store (Calc.) increased by 3% YoY to INR5.3m.
- Gross margins contracted 310bp YoY to 71.8%, mainly hit by higher RM costs. As a result, gross profits grew by 10% YoY to INR2.5b (in line). GP (incl. Job worker) grew by 15% YoY to INR2.2b, with margin at 66%.
- The decline in gross margin was offset by lower employee costs and other expenses (including savings from lower director remunerations.) This led to EBITDA growth of 17% YoY to INR1.7b (6% beat) and margin expansion of 50bp YoY to 49.1%. Accordingly, PAT grew 23% YoY to INR1.1b (13% beat).
- VFL added net 9/66 stores in 4QFY23/FY23, taking the total store count to 649. Area addition for FY23 was 0.17m sqft to 1.47m sqft.

## Highlights from the management commentary

- Emerging brands witnessed good traction in terms of footfalls and conversion ratios. VFL expects to open 8-10 of Twamev and 10-15 stores of Mohey on the pilot basis to monitor the performance for a further scale-up.
- It expects SSSG to be in the range of mid-to-high single digits annually. Gross and EBITDA margins are expected to be in the range of 66-67% and 30%, respectively.
- The company will look to deploy additional cash toward growth and dividend distribution. It will also look at any external M&A opportunities.
- VFL expects to launch the Phase 2 of its digital transformation in the next 2-3 months. It will look to integrate online demand with offline stores to improve offerings and experience.

**Valuation and view**

- With revenue of INR13.5b, VFL has achieved a strong scale within the growing Men's celebration and occasion wear market, which is difficult to replicate.
- The strong runway of growth within the segment, coupled with recent inroads in Mohey (women celebration wear) and Twamev (premium men's celebration wear), offers an incremental upside.
- Strong margins, a healthy return profile and a franchisee-led expansion model ensure strong cash generation and limited pressure on the balance sheet. This justifies the healthy valuation of 31x EV/EBITDA and 47.7x P/E on FY25E basis.
- We expect revenue/EBITDA CAGRs of 20%/21% over FY23-25 on the back of 15% growth in footprint addition and SSSG of ~5%.
- We ascribe a P/E of 55x FY25E EPS and arrive at a TP of INR1,435. **We maintain our BUY rating.**

**Quarterly Earning**

Y/E March	(INR m)											
	FY22				FY23E				FY22	FY23	FY23	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
<b>Revenue</b>	<b>1,600</b>	<b>1,999</b>	<b>3,847</b>	<b>2,963</b>	<b>3,250</b>	<b>2,469</b>	<b>4,414</b>	<b>3,416</b>	<b>10,408</b>	<b>13,549</b>	<b>3,316</b>	<b>3.0</b>
YoY Change (%)			27.6	54.7	103.1	23.5	14.7	15.3	84.3	30.2	11.9	
Total Expenditure	908	1,087	1,933	1,522	1,619	1,315	2,170	1,737	5,450	6,841	1,729	0.5
<b>EBITDA</b>	<b>692</b>	<b>912</b>	<b>1,915</b>	<b>1,440</b>	<b>1,631</b>	<b>1,154</b>	<b>2,245</b>	<b>1,679</b>	<b>4,959</b>	<b>6,708</b>	<b>1,587</b>	<b>5.8</b>
EBITDA margins (%)	43.3	45.6	49.8	48.6	50.2	46.7	50.9	49.1	47.6	49.5	47.9	
Change YoY (%)	NA	NA	-36.5	68.8	135.6	26.6	17.2	16.6	195.4	35.3	10.2	
Depreciation	209	222	244	269	264	249	251	274	944	1,038	266	3.1
Interest	57	65	76	86	78	77	75	84	284	315	103	-18.4
Other Income	185	89	114	111	71	97	100	134	499	402	106	26.3
<b>PBT before EO expense</b>	<b>611</b>	<b>714</b>	<b>1,710</b>	<b>1,196</b>	<b>1,359</b>	<b>925</b>	<b>2,019</b>	<b>1,454</b>	<b>4,230</b>	<b>5,758</b>	<b>1,324</b>	<b>2.6</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
Tax	159	181	432	309	351	235	516	366	1,081	1,467	358	2.3
Rate (%)	26.1	25.4	25.2	25.8	25.8	25.4	25.5	25.2	25.6	25.5	27.0	184.8
<b>Reported PAT</b>	<b>452</b>	<b>532</b>	<b>1,278</b>	<b>887</b>	<b>1,009</b>	<b>690</b>	<b>1,504</b>	<b>1,089</b>	<b>3,149</b>	<b>4,291</b>	<b>967</b>	<b>12.6</b>
<b>Adj PAT</b>	<b>452</b>	<b>532</b>	<b>1,278</b>	<b>887</b>	<b>1,009</b>	<b>690</b>	<b>1,504</b>	<b>1,089</b>	<b>3,149</b>	<b>4,291</b>	<b>967</b>	<b>12.6</b>
YoY Change (%)	NA	NA	-58	86	123	30	18	23	137	36	9	

E: MOFSL Estimates

**Annual Performance**

- FY23 revenue grew 30% YoY to INR13.5b.
- EBITDA/PAT increased by 35%/36% YoY to INR6.7b/INR4.3b.
- VFL declared a dividend of INR9 per share.

**Cash flow and working capital**

- WC days improved to 151 days in FY23 from 164 days in FY22, mainly due to a decrease in receivables days to 128 days in FY23 (from 139 days in FY22). This was on the back of an improvement in sales to customers from -2% in 3QFY23 to 21% in 4QFY23, which released the receivables.
- FCF post interest and lease liability increased by 31% YoY to INR3.6b, led by an increase in EBITDA by 35% YoY. FCF has been utilized in the dividend payment of INR1.2b. Net cash increased to INR8b in FY23 from INR5.2b in FY22.

**Exhibit 1: Valuation based on P/E for FY25E**

Valuation	FY25E
EPS	26
PE multiple (x)	55
<b>Target Price (INR)</b>	<b>1,435</b>
<b>CMP (INR)</b>	<b>1,250</b>
Upside (%)	15%

Source: MOFSL, Company

**Exhibit 2: Quarterly performance (INR m)**

	4QFY22	3QFY23	4QFY23	YoY%	QoQ%	4QFY23E	v/s Est (%)
<b>Total Revenue</b>	<b>2,963</b>	<b>4,414</b>	<b>3,416</b>	<b>15</b>	<b>-23</b>	<b>3,316</b>	<b>3</b>
Raw Material cost	743	1,173	964	30	-18	841	15
<b>Gross Profit</b>	<b>2,219</b>	<b>3,241</b>	<b>2,452</b>	<b>10</b>	<b>-24</b>	<b>2,475</b>	<b>-1</b>
<b>Gross margin (%)</b>	<b>74.9</b>	<b>73.4</b>	<b>71.8</b>	<b>-313.2</b>	<b>-164.5</b>	<b>74.6</b>	<b>-287.0</b>
Employee Costs	166	153	148	-11	-3	167	-11
Other expenses	613	843	625	2	-26	721	-13
<b>EBITDA</b>	<b>1,440</b>	<b>2,245</b>	<b>1,679</b>	<b>17</b>	<b>-25</b>	<b>1,587</b>	<b>6</b>
<b>EBITDA margin (%)</b>	<b>48.6</b>	<b>50.9</b>	<b>49.1</b>	<b>53.5</b>	<b>-170.8</b>	<b>47.9</b>	<b>127.5</b>
Depreciation and amortization	269	251	274	2	10	266	3
EBIT	1,171	1,994	1,405	20	-30	1,321	6
EBIT margin (%)	39.5	45.2	41.1	NM	NM	39.8	126.9
Finance Costs	86	75	84	-2	13	103	-18
Other income	111	100	134	21	35	106	26
Exceptional item	0	0	0	NM	NM	0	NM
<b>Profit before Tax</b>	<b>1,196</b>	<b>2,019</b>	<b>1,454</b>	<b>22</b>	<b>-28</b>	<b>1,324</b>	<b>10</b>
Tax	309	516	366	18	-29	358	2
Tax rate (%)	25.8	25.5	25.2	-2.6	-1.6	27.0	-6.8
<b>Profit after Tax</b>	<b>887</b>	<b>1,504</b>	<b>1,089</b>	<b>23</b>	<b>-28</b>	<b>967</b>	<b>13</b>
<b>Adj Profit after Tax</b>	<b>887</b>	<b>1,504</b>	<b>1,089</b>	<b>23</b>	<b>-28</b>	<b>967</b>	<b>13</b>

Source: MOFSL, Company

**Exhibit 3: Estimate change summary**

	FY24E	FY25E
<b>Revenue (INR m)</b>		
Old	16,240	19,610
Actual/New	16,232	19,601
Change (%)	0.0	0.0
<b>EBITDA (INR m)</b>		
Old	8,250	9,922
Actual/New	8,084	9,741
Change (%)	-2.0	-1.8
<b>EBITDA margin (%)</b>		
Old	50.8	50.6
Actual/New	49.8	49.7
Change (bp)	-100	-90
<b>Net Profit (INR m)</b>		
Old	5,077	6,249
Actual/New	5,198	6,360
Change (%)	2.4	1.8
<b>EPS (INR)</b>		
Old	20.9	25.7
Actual/New	21.4	26.2
Change (%)	2.4	1.7

Source: MOFSL, Company



## Highlights from Management Call

### Key Highlights

- Emerging brands witnessed good traction in terms of footfalls and conversion ratios. VFL expects to open 8-10 stores of Twamev and 10-15 stores of Mohey on the pilot basis to monitor the performance for a further scale-up.
- It expects SSSG to be in the range of mid-to-high single digits annually and gross and EBITDA margins to be in the range of 66-67% and 30%, respectively.
- VFL will look to deploy additional cash toward growth and dividend distribution. It will also look at any external M&A opportunity.
- The company expects to launch the Phase 2 of its digital transformation in the next 2-3 months. It will look to integrate online demand with offline stores to improve the offerings and experience.

### Detailed Notes

#### Company performance:

- FY23 sales to customers grew 26.3% YoY on the back of 18.3% SSSG. 4QFY23 sales to customers rose 21% YoY, backed by SSSG of 14% YoY.
- VFL continued to generate strong cash:
  - Cash conversion ratio (OCF to PAT) was 105% for 4QFY23 (83% for FY23) with a ROCE of 95.3% for FY23.
  - OCF stood at 116% of net working capital as on Mar'23.

#### Product and channel mix:

- VFL stated that ~40-45% of annual business comes from grooms or brides wear.
- The online segment remains a strong channel for non-wedding sales, with a 40% CAGR in the last three years.
- Shelf space for Mohey within the flagship stores (>3,000 sq.ft.) remains at 25% of store space. Inventory for Twamev is kept together with Manyavar.
- The company is witnessing a strong uptick in international revenue with a 26% CAGR from pre-Covid levels in international stores.

#### SSSG:

- The effective SSSG for FY23 is expected to be ~8% (v/s ~16% area adds) as 60-65% of area addition was done in 2HFY23 (full revenue would be reflected in corresponding year).
- The company is witnessing better SSSG for stores in vicinity of competitors and also gaining share from the unorganised segment.
- Going ahead, the company expects SSSG to be in the range of mid-to-high single digits.

#### Expenses and Margins:

- The decline in employee costs on YoY basis was due to the restructuring of Director Remuneration (to 1% from 2.1% earlier).
- Other expenses moderated as marketing costs in Q4FY23 declined compared to Q3FY23, mainly due to bigger events and campaigns. Advertising & Promotion costs for year stood at ~5%.

- The company expects to sustain gross margins at around 66-67% in the long term, with PATR margins in the range of 30%.
- Within emerging brands, the company is building efficiency with scale, which will not dilute margins.

**Emerging brands and competition:**

- Independent stores in Twamev are expected to go live in 1QFY24. The company will open four Twamev stores in 1QFY24, while Mohey stores are in the pipeline and are expected to open soon.
- Within these brands, the company is witnessing strong SSSG over company average and an improved conversion rate and inventory rate.
- The company expects to open 8-10 stores in Twamev and 10-15 stores in Mohey on the pilot basis and will monitor performance for a further scale-up.

**Digital Transformation:**

- The Phase 1 has been launched already and is live on Manyavar.com. The company is witnessing good numbers on back-end.
- VFL expects to launch the Phase 2 in the next 2-3 months, which will connect digital to physical stores.

**Expansion:**

- The company extended its footprint by 75k sqft retail area in 4QFY23. It also expended its international footprint by adding two EBOs during the quarter.
- The company opened a flagship store of 20,000sqft in Jubilee Hills. The company is now calibrating the inventory in smaller stores within the vicinity of larger stores to improve store efficiency.

**Advertising campaign:**

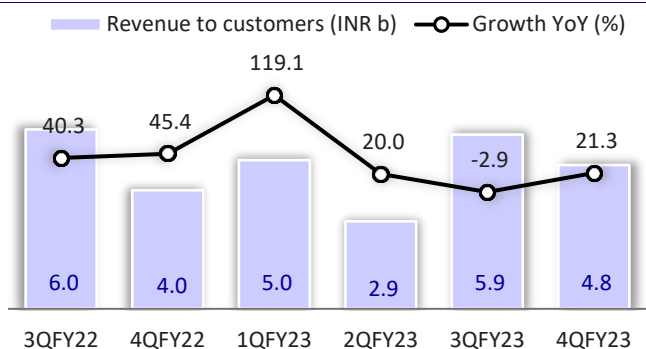
- The company continues to run its flagship campaign “Taiyar ho ke aaiye”, starring Ranveer Singh across all platforms.
- It has also signed Kiara Advani as a brand ambassador of Mohey. The campaign is receiving good traction across all platforms.

**Cash Deployment:**

- The company will look to deploy the additional cash (unless any M&A) for the expansion and dividend payment.

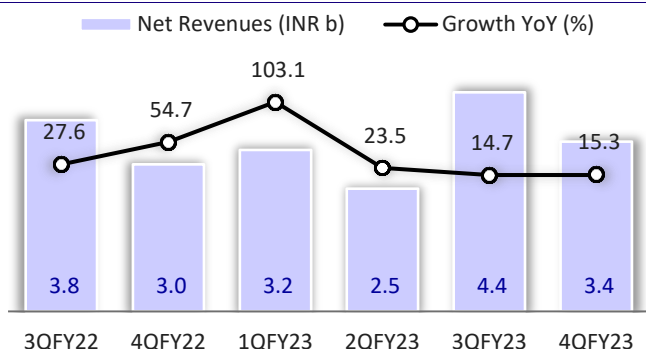
Story in charts

**Exhibit 4: Sales to customer grew 21% YoY in 4QFY23**



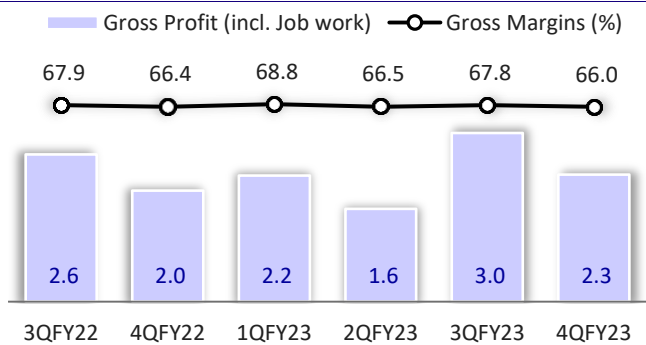
Source: MOFSL, Company

**Exhibit 5: Net revenues grew 15% YoY**



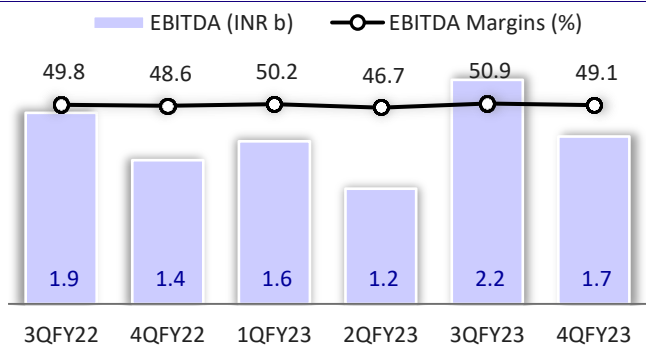
Source: MOFSL, Company

**Exhibit 6: Gross margins (Incl Job work) contracted 40bp YoY (Gross Profit in INR b)**



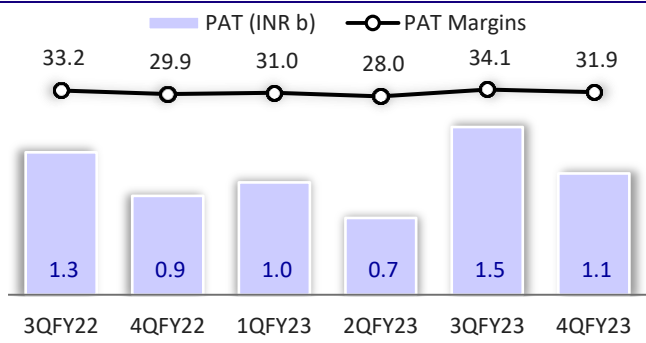
Source: MOFSL, Company

**Exhibit 7: EBITDA margins expanded 50bp YoY**



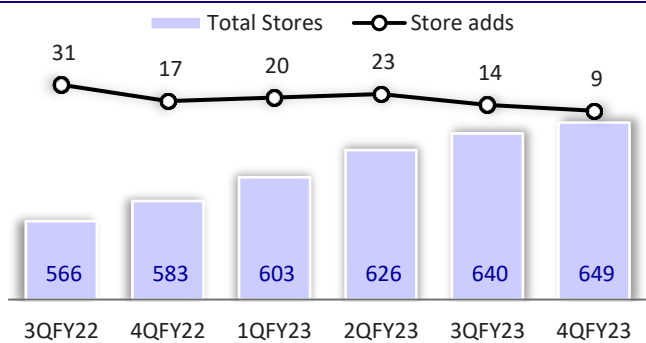
Source: MOFSL, Company

**Exhibit 8: PAT grew 23% YoY to INR1.1b**



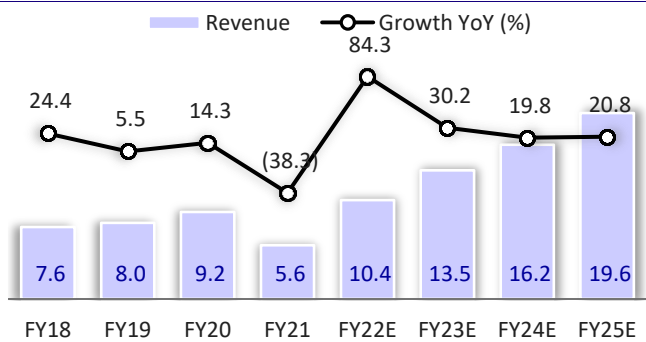
Source: MOFSL, Company

**Exhibit 9: Added 9 stores in 4QFY23**



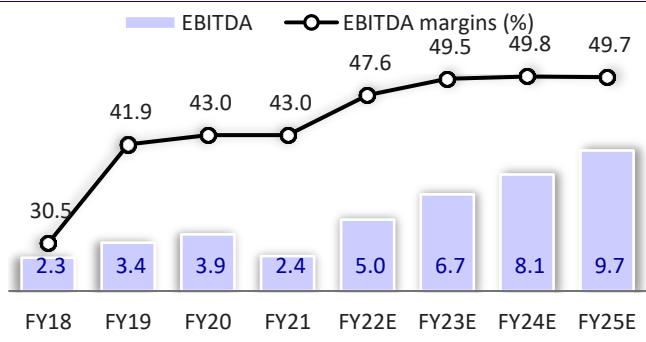
Source: MOFSL, Company

**Exhibit 10: Expect revenue CAGR of 20% over FY23-25**



Source: MOFSL, Company

**Exhibit 11: Expect 21% EBITDA CAGR over FY23-25E**



Source: MOFSL, Company

## Financials and valuations

### Consolidated - Income Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Total Income from Operations</b>	<b>7,593</b>	<b>8,007</b>	<b>9,155</b>	<b>5,648</b>	<b>10,408</b>	<b>13,549</b>	<b>16,232</b>	<b>19,601</b>
Change (%)	24.4	5.5	14.3	-38.3	84.3	30.2	19.8	20.8
Raw Materials	2,431	2,226	2,512	1,463	2,668	3,519	4,253	5,175
<b>Gross Profit</b>	<b>5,161</b>	<b>5,782</b>	<b>6,643</b>	<b>4,185</b>	<b>7,740</b>	<b>10,030</b>	<b>11,979</b>	<b>14,426</b>
Margin (%)	68.0	72.2	72.6	74.1	74.4	74.0	73.8	73.6
<b>Gross Profit (Incl Job Work)</b>	<b>4,596</b>	<b>5,204</b>	<b>5,981</b>	<b>3,770</b>	<b>6,958</b>	<b>9,127</b>	<b>10,898</b>	<b>13,120</b>
Margin (%)	60.5	65.0	65.3	66.8	66.9	67.4	67.1	66.9
Employees Cost	490	472	533	381	575	566	649	764
Other Expenses	2,355	1,951	2,173	1,373	2,206	2,755	3,246	3,920
<b>Total Expenditure</b>	<b>5,276</b>	<b>4,649</b>	<b>5,218</b>	<b>3,218</b>	<b>5,450</b>	<b>6,841</b>	<b>8,149</b>	<b>9,859</b>
% of Sales	69.5	58.1	57.0	57.0	52.4	50.5	50.2	50.3
<b>EBITDA</b>	<b>2,317</b>	<b>3,358</b>	<b>3,938</b>	<b>2,431</b>	<b>4,959</b>	<b>6,708</b>	<b>8,084</b>	<b>9,741</b>
Margin (%)	30.5	41.9	43.0	43.0	47.6	49.5	49.8	49.7
Depreciation	97	643	887	955	944	1,038	1,319	1,518
<b>EBIT</b>	<b>2,220</b>	<b>2,715</b>	<b>3,050</b>	<b>1,475</b>	<b>4,015</b>	<b>5,671</b>	<b>6,765</b>	<b>8,223</b>
Int. and Finance Charges	60	196	256	258	284	315	379	453
Other Income	93	191	324	602	499	402	563	732
<b>PBT bef. EO Exp.</b>	<b>2,252</b>	<b>2,709</b>	<b>3,118</b>	<b>1,819</b>	<b>4,230</b>	<b>5,758</b>	<b>6,950</b>	<b>8,502</b>
EO Items	0	0	0	0	0	0	0	0
<b>PBT after EO Exp.</b>	<b>2,252</b>	<b>2,709</b>	<b>3,118</b>	<b>1,819</b>	<b>4,230</b>	<b>5,758</b>	<b>6,950</b>	<b>8,502</b>
Total Tax	785	945	752	490	1,081	1,467	1,751	2,143
Tax Rate (%)	34.9	34.9	24.1	26.9	25.6	25.5	25.2	25.2
<b>Reported PAT</b>	<b>1,467</b>	<b>1,764</b>	<b>2,366</b>	<b>1,329</b>	<b>3,149</b>	<b>4,291</b>	<b>5,198</b>	<b>6,360</b>
<b>Adjusted PAT</b>	<b>1,467</b>	<b>1,764</b>	<b>2,366</b>	<b>1,329</b>	<b>3,149</b>	<b>4,291</b>	<b>5,198</b>	<b>6,360</b>
Change (%)	31.8	20.2	34.1	-43.8	136.9	36.3	21.1	22.3
Margin (%)	19.3	22.0	25.8	23.5	30.3	31.7	32.0	32.4

### Consolidated - Balance Sheet

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	250	250	250	248	243	243	243	243
Total Reserves	6,759	8,577	10,410	10,666	10,585	13,756	16,875	20,691
<b>Net Worth</b>	<b>7,009</b>	<b>8,828</b>	<b>10,660</b>	<b>10,914</b>	<b>10,827</b>	<b>13,999</b>	<b>17,118</b>	<b>20,934</b>
Total Loans	127	1,837	2,427	2,104	2,787	2,934	3,533	3,924
Lease Liabilities		1,837	2,427	2,104	2,787	2,934	3,533	3,924
Deferred Tax Liabilities	12	90	81	147	168	197	197	197
Other Liabilities	850	1,046	1,160	1,201	1,335	1,539	1,539	1,539
<b>Capital Employed</b>	<b>7,998</b>	<b>11,801</b>	<b>14,328</b>	<b>14,367</b>	<b>15,118</b>	<b>18,669</b>	<b>22,388</b>	<b>26,594</b>
Gross Block	3,146	4,961	5,972	6,345	7,845	8,941	10,143	11,680
Less: Accum. Deprn.	141	745	1,062	1,912	2,856	3,894	5,084	6,602
<b>Net Fixed Assets</b>	<b>3,006</b>	<b>4,216</b>	<b>4,909</b>	<b>4,432</b>	<b>4,989</b>	<b>5,047</b>	<b>5,060</b>	<b>5,078</b>
Other Non-Current	157	921	836	820	867	882	882	882
Capital WIP	7	25	3	4	1	22	3	3
<b>Total Investments</b>	<b>1,774</b>	<b>2,287</b>	<b>4,397</b>	<b>5,790</b>	<b>5,608</b>	<b>8,501</b>	<b>8,501</b>	<b>8,501</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>4,403</b>	<b>5,737</b>	<b>5,765</b>	<b>5,195</b>	<b>6,219</b>	<b>7,201</b>	<b>11,411</b>	<b>16,330</b>
Inventory	894	909	1,209	1,012	1,430	1,736	2,224	2,685
Account Receivables	3,166	3,327	3,721	3,612	3,967	4,734	6,226	7,518
Cash and Bank Balance	10	1,194	199	71	39	100	2,206	5,359
Loans and Advances	333	306	637	500	783	630	755	768
<b>Curr. Liability &amp; Prov.</b>	<b>1,348</b>	<b>1,384</b>	<b>1,588</b>	<b>1,890</b>	<b>2,580</b>	<b>2,991</b>	<b>3,476</b>	<b>4,206</b>
Account Payables	434	581	504	499	730	859	1,038	1,263
Other Current Liabilities	912	801	1,080	1,387	1,845	2,130	2,435	2,940
Provisions	2	2	4	4	4	2	3	4
<b>Net Current Assets</b>	<b>3,055</b>	<b>4,352</b>	<b>4,178</b>	<b>3,305</b>	<b>3,639</b>	<b>4,210</b>	<b>7,935</b>	<b>12,123</b>
Deferred Tax assets	0	0	6	16	13	7	7	7
<b>Appl. of Funds</b>	<b>7,998</b>	<b>11,801</b>	<b>14,328</b>	<b>14,367</b>	<b>15,118</b>	<b>18,669</b>	<b>22,388</b>	<b>26,594</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>5.9</b>	<b>7.0</b>	<b>9.4</b>	<b>5.4</b>	<b>13.0</b>	<b>17.7</b>	<b>21.4</b>	<b>26.2</b>
Cash EPS	6.3	9.6	13.0	9.1	16.3	21.3	26.0	31.5
BV/Share	28.0	35.2	42.6	43.6	43.2	55.9	68.3	83.6
DPS	0.0	0.0	0.0	0.0	5.0	9.0	8.6	10.5
Payout (%)	0.0	0.0	0.0	0.0	38.5	50.9	40.0	40.0
<b>Valuation (x)</b>								
P/E	213.2	177.5	132.3	233.1	96.3	70.7	58.4	47.7
Cash P/E	200.0	130.1	96.2	137.1	76.5	58.8	48.0	39.7
P/BV	44.6	35.5	29.4	28.7	28.9	22.4	18.3	15.0
EV/Sales	41.2	39.2	34.4	55.2	29.4	22.6	18.8	15.4
EV/EBITDA	135.1	93.4	80.1	128.3	61.7	45.7	37.7	31.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.4	0.7	0.7	0.8
FCF per share	-3.6	9.1	9.0	10.8	14.9	19.6	19.2	26.8
<b>Return Ratios (%)</b>								
RoE	28.5	22.3	24.3	12.3	29.0	34.6	33.4	33.4
RoCE	28.7	21.3	21.6	11.6	25.2	29.6	29.2	29.4
RoIC	29.2	24.4	25.7	11.8	33.3	43.3	46.6	50.4
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.4	1.6	1.5	0.9	1.3	1.5	1.6	1.7
Asset Turnover (x)	0.9	0.7	0.6	0.4	0.7	0.7	0.7	0.7
Inventory (Days)	134	149	176	253	196	180	191	189
Debtor (Days)	152	152	148	233	139	128	140	140
Creditor (Days)	65	95	73	124	100	89	89	89
<b>Leverage Ratio (x)</b>								
Current Ratio	3.3	4.1	3.6	2.7	2.4	2.4	3.3	3.9
Interest Cover Ratio	36.9	13.8	11.9	5.7	14.1	18.0	17.9	18.1
Net Debt/Equity	-0.2	-0.2	-0.2	-0.3	-0.3	-0.4	-0.4	-0.5

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	2,252	2,709	3,118	1,819	4,230	5,758	6,950	8,502
Depreciation	97	643	887	955	944	1,038	1,319	1,518
Interest & Finance Charges	60	196	256	258	284	315	379	453
Direct Taxes Paid	-718	-954	-750	-345	-1,090	-1,472	-1,751	-2,143
(Inc)/Dec in WC	-1,051	-67	-804	399	-450	-569	-1,619	-1,036
<b>CF from Operations</b>	<b>640</b>	<b>2,528</b>	<b>2,707</b>	<b>3,087</b>	<b>3,918</b>	<b>5,070</b>	<b>5,277</b>	<b>7,296</b>
Others	-79	-179	-273	-561	-408	-372	-563	-732
<b>CF from Operating incl EO</b>	<b>561</b>	<b>2,348</b>	<b>2,434</b>	<b>2,526</b>	<b>3,510</b>	<b>4,698</b>	<b>4,713</b>	<b>6,563</b>
(Inc)/Dec in FA	-1,465	-73	-184	151	109	57	-50	-50
<b>Free Cash Flow</b>	<b>-904</b>	<b>2,276</b>	<b>2,250</b>	<b>2,677</b>	<b>3,619</b>	<b>4,755</b>	<b>4,663</b>	<b>6,513</b>
(Pur)/Sale of Investments	-1,363	-463	-1,445	-1,424	37	-2,492	0	0
Others	22	-1,093	672	389	418	116	563	732
<b>CF from Investments</b>	<b>-2,807</b>	<b>-1,629</b>	<b>-957</b>	<b>-884</b>	<b>565</b>	<b>-2,319</b>	<b>513</b>	<b>682</b>
Issue of Shares	2,250	0	0	-1,084	47	15	0	0
Inc/(Dec) in Debt	38	-127	0	0	0	0	0	0
Interest Paid	-45	-155	-211	-207	-223	-241	-379	-453
Repayment of loan	0	0	-604	0	0	0	0	0
Others	0	-428	-595	-373	-3,928	-2,091	-2,742	-3,640
<b>CF from Fin. Activity</b>	<b>2,243</b>	<b>-710</b>	<b>-1,410</b>	<b>-1,665</b>	<b>-4,105</b>	<b>-2,317</b>	<b>-3,121</b>	<b>-4,093</b>
<b>Inc/Dec of Cash</b>	<b>-2</b>	<b>10</b>	<b>67</b>	<b>-23</b>	<b>-30</b>	<b>62</b>	<b>2,106</b>	<b>3,153</b>
Opening Balance	10	12	21	89	66	36	98	2,204
<b>Closing Balance</b>	<b>7</b>	<b>21</b>	<b>89</b>	<b>66</b>	<b>36</b>	<b>98</b>	<b>2,204</b>	<b>5,356</b>
<b>Other Bank Balance</b>	<b>2</b>	<b>1,173</b>	<b>110</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Net Closing Balance</b>	<b>10</b>	<b>1,194</b>	<b>199</b>	<b>71</b>	<b>39</b>	<b>100</b>	<b>2,206</b>	<b>5,359</b>

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Explanation of Investment Rating	
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SELL	< - 10%
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Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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