

# Vedant Fashions

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR1,235 TP: INR1,400 (+13%) BUY**

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Bloomberg	MANYAVAR IN
Equity Shares (m)	243
M.Cap.(INRb)/(USDb)	299.8 / 3.7
52-Week Range (INR)	1501 / 1058
1, 6, 12 Rel. Per (%)	-8/-5/-3
12M Avg Val (INR M)	205

## Financials & Valuations Consol (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	13.5	15.2	18.5
EBITDA	6.7	7.6	9.2
Adj. PAT	4.3	4.9	6.0
EBITDA Margin (%)	49.5	50.3	49.7
Adj. EPS (INR)	17.7	20.2	24.6
EPS Gr. (%)	36.2	14.1	22.0
BV/Sh. (INR)	55.9	67.6	81.9
<b>Ratios</b>			
Net D:E	(0.4)	(0.4)	(0.5)
RoE (%)	34.6	31.7	31.9
RoCE (%)	29.6	27.8	28.3
Payout (%)	50.9	40.0	40.0
<b>Valuations</b>			
P/E (x)	69.7	61.1	50.1
EV/EBITDA (x)	45.0	39.2	32.4
EV/Sales (X)	22.3	19.7	16.1
Div. Yield (%)	0.7	0.7	0.8
FCF Yield (%)	1.6	1.6	2.1

## 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

## Weak earnings due to seasonality

- Vedant Fashions (VFL) reported a revenue/PAT decline of 4%/9% YoY (in line) to INR3.1b/INR919m in 1QFY24. The strong footprint growth of 22% YoY to 1.56m sqft partly compensated for weak SSSG as sales to customers declined 16% YoY due to fewer wedding dates.
- We largely maintain our FY25E EBITDA/PAT as demand is expected to recover in 2HFY24. We factor in a revenue/EBITDA CAGR of 17% each on the back of a 15% CAGR in the footprint expansion. A demand recovery in 2HFY24, continued footprint expansion and positive commentary for emerging brands (Mohey and Twamev) could further support growth momentum. We retain our BUY rating with a TP of INR1,400.

## Revenue/PAT down 4%/9% YoY (in line) due to shorter wedding season

- Consolidated revenues declined 4% YoY to INR3.1b (in line). Sales to customers fell 15.6% YoY to INR4.2b, mainly due to fewer wedding dates during the quarter.
- Revenue/sq. ft. (blended) declined ~18% YoY to INR2,057.
- Gross profit was down 8% YoY at INR2.2b, with GM at 72% (est. 75%). Gross margins (incl. job work) too contracted by 200bp YoY to 66.8%.
- Employee costs grew 16% YoY to INR150m, while other expenses declined 10% YoY to INR612m (6%/12% below estimates).
- EBITDA declined 9% YoY to INR1.5b (in line) as the revenue decline was partially offset by strong cost-control measures. EBITDA margins contracted 270bp YoY to 47.5%.
- Depreciation/finance costs grew 13%/20% YoY, while other income increased by 2.1x YoY to INR150m.
- As a result, PAT declined 9% YoY to INR919m (in line).
- VFL added 13 new stores (incl. 3 exclusive Twamev Stores), taking the total store count to 662. Footprint addition for the quarter stood at ~22% YoY to 1.56m sqft.

## Highlights from the management commentary

- Witnessed weaker performance in 1QFY24 on account of fewer wedding dates; Expects recovery from 2HFY24 onward
- Launched three exclusive stores under Twamev brand, along with the introduction of women wear category; plans to open ~10 stores by FY24 on pilot basis and then plans to expand accordingly
- Maintains its long-term target to achieve mid to high single-digit SSSG, with gross margins expected to remain at similar levels.

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

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**Valuation and view**

- The company, with revenues of INR13.5b (FY23), has successfully achieved scale within the growing Men's celebration and occasion wear market, which is difficult to replicate.
- A healthy margin profile, coupled with an asset-light franchisee-led expansion model, ensures strong cash generation and strong returns with limited pressure on the balance sheet. This justifies the healthy valuation of 32.4x EV/EBITDA and 50.1x P/E on FY25E basis.
- VFL has a strong runway of growth. Its focus on expanding Mohey (women celebration wear) and Twamev (premium men's celebration wear) offers an incremental upside.
- We expect revenue/EBITDA CAGRs of 17%/17% over FY23-25 on the back of 15% growth in footprint addition.
- We ascribe a P/E of 57x on FY25E EPS and arrive at a TP of INR1,400. We maintain our BUY rating.

**Quarterly Earning****(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E	FY24	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Revenue</b>	<b>3,250</b>	<b>2,469</b>	<b>4,414</b>	<b>3,416</b>	<b>3,116</b>	<b>2,665</b>	<b>5,352</b>	<b>4,087</b>	<b>13,549</b>	<b>15,221</b>	<b>3,179</b>	<b>-2.0</b>
YoY Change (%)	103.1	23.5	14.7	15.3	-4.1	7.9	21.2	19.6	30.2	12.3	-2.2	
Total Expenditure	1,619	1,315	2,170	1,737	1,635	1,439	2,486	2,012	6,841	7,572	1,653	-1.1
<b>EBITDA</b>	<b>1,631</b>	<b>1,154</b>	<b>2,245</b>	<b>1,679</b>	<b>1,482</b>	<b>1,226</b>	<b>2,866</b>	<b>2,075</b>	<b>6,708</b>	<b>7,648</b>	<b>1,526</b>	<b>-2.9</b>
EBITDA margins (%)	50.2	46.7	50.9	49.1	47.5	46.0	53.6	50.8	49.5	50.3	48.0	
Change YoY (%)	135.6	26.6	17.2	16.6	-9.1	6.2	27.7	23.6	189.6	127.8	-6.4	
Depreciation	264	249	251	274	299	315	323	355	1,038	1,293	314	-4.7
Interest	78	77	75	84	94	93	93	91	315	371	94	0.4
Other Income	71	97	100	134	150	135	135	144	402	563	141	6.4
<b>PBT before EO expense</b>	<b>1,359</b>	<b>925</b>	<b>2,019</b>	<b>1,454</b>	<b>1,238</b>	<b>953</b>	<b>2,585</b>	<b>1,772</b>	<b>5,758</b>	<b>6,547</b>	<b>1,259</b>	<b>-1.7</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
Tax	351	235	516	366	319	240	651	440	1,467	1,650	317	0.4
Rate (%)	25.8	25.4	25.5	25.2	25.7	25.2	25.2	24.8	25.5	25.2	25.2	2.1
<b>Reported PAT</b>	<b>1,009</b>	<b>690</b>	<b>1,504</b>	<b>1,089</b>	<b>919</b>	<b>713</b>	<b>1,933</b>	<b>1,332</b>	<b>4,291</b>	<b>4,897</b>	<b>942</b>	<b>-2.4</b>
<b>Adj PAT</b>	<b>1,009</b>	<b>690</b>	<b>1,504</b>	<b>1,089</b>	<b>919</b>	<b>713</b>	<b>1,933</b>	<b>1,332</b>	<b>4,291</b>	<b>4,897</b>	<b>942</b>	<b>-2.4</b>
YoY Change (%)	123	30	18	23	-9	3	29	22	36	14	-7	

E: MOFSL Estimates

**Store adds and demand commentary:**

- VFL added 13 new stores during the quarter, taking the total store count to 662 as of Jun'23.
- This included three exclusive Twamev flagship stores opened in Bengaluru, New Delhi and Hyderabad, spanning across 22,000 sqft retail area cumulatively.
- While business in 1QFY24 was impacted by a shorter wedding season nationally, the management is positive and hopeful about the overall business outlook for the year, and expects a recovery in 2HFY24.

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

Valuation	FY25E
EPS	25
PE multiple (x)	57
<b>Target Price (INR)</b>	<b>1,400</b>
<b>CMP (INR)</b>	<b>1,232</b>
Upside (%)	14%

Source: MOFSL, Company

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

	1QFY23	4QFY23	1QFY24	YoY%	QoQ%	1QFY24E	v/s Est (%)
<b>Total Revenue</b>	<b>3,250</b>	<b>3,416</b>	<b>3,116</b>	<b>-4</b>	<b>-9</b>	<b>3,179</b>	<b>-2</b>
Raw Material cost	810	964	872	8	-10	795	10
<b>Gross Profit</b>	<b>2,440</b>	<b>2,452</b>	<b>2,244</b>	<b>-8</b>	<b>-8</b>	<b>2,384</b>	<b>-6</b>
<b>Gross margin (%)</b>	<b>75.1</b>	<b>71.8</b>	<b>72.0</b>	<b>-306.4</b>	<b>23.5</b>	<b>75.0</b>	<b>-299.0</b>
Employee Costs	130	148	150	16	1	159	-6
Other expenses	679	625	612	-10	-2	699	-12
<b>EBITDA</b>	<b>1,631</b>	<b>1,679</b>	<b>1,482</b>	<b>-9</b>	<b>-12</b>	<b>1,526</b>	<b>-3</b>
<b>EBITDA margin (%)</b>	<b>50.2</b>	<b>49.1</b>	<b>47.5</b>	<b>-263.4</b>	<b>-160.1</b>	<b>48.0</b>	<b>-45.7</b>
Depreciation and amortization	264	274	299	13	9	314	-5
EBIT	1,367	1,405	1,182	-13	-16	1,212	-2
EBIT margin (%)	42.1	41.1	37.9	NM	NM	38.1	-17.8
Finance Costs	78	84	94	20	12	94	0
Other income	71	134	150	111	12	141	6
Exceptional item	0	0	0	NM	NM	0	NM
<b>Profit before Tax</b>	<b>1,359</b>	<b>1,454</b>	<b>1,238</b>	<b>-9</b>	<b>-15</b>	<b>1,259</b>	<b>-2</b>
Tax	351	366	319	-9	-13	317	0
Tax rate (%)	25.8	25.2	25.7	-0.2	2.3	25.2	2.1
<b>Profit after Tax</b>	<b>1,009</b>	<b>1,089</b>	<b>919</b>	<b>-9</b>	<b>-16</b>	<b>942</b>	<b>-2</b>
<b>Adj Profit after Tax</b>	<b>1,009</b>	<b>1,089</b>	<b>919</b>	<b>-9</b>	<b>-16</b>	<b>942</b>	<b>-2</b>

Source: MOFSL, Company

**Exhibit 3: Estimate change summary**

	FY24E	FY25E
<b>Revenue (INR m)</b>		
Old	15,769	19,041
Actual/New	15,221	18,453
Change (%)	-3.5	-3.1
<b>EBITDA (INR m)</b>		
Old	7,774	9,463
Actual/New	7,648	9,171
Change (%)	-1.6	-3.1
<b>EBITDA margin (%)</b>		
Old	49.3	49.7
Actual/New	50.3	49.7
Change (bp)	95	0
<b>Net Profit (INR m)</b>		
Old	4,969	6,154
Actual/New	4,897	5,974
Change (%)	-1.4	-2.9
<b>EPS (INR)</b>		
Old	20.5	25.3
Actual/New	20.2	24.6
Change (%)	-1.4	-2.9

Source: MOFSL, Company

## Highlights from Management Call

### Key Highlights

- Witnessed weaker performance in 1QFY24 on account of lower number of wedding dates; Expects recovery from 2HFY24 onwards.
- Launched three exclusive stores under Twamev brand, along with the introduction of women wear category; plans to open ~10 stores by FY24 on pilot basis and then plans to expand accordingly
- Maintains its long-term target to achieve mid-high single digit SSSG, with gross margins expected to remain at similar levels.

### Detailed notes

#### Financial performance:

- The weaker performance in 1QFY24 was on account of fewer wedding dates and a higher base in FY23.
- The company generated a healthy cash conversion ratio of 78% (OCF/PAT) in 1QFY24.
- Working capital days as of Jun'23 stood at 85 days (TTM basis).
- The higher differential between customer sales and revenues for 1QFY24 was mainly on account of new stores opened.
- Other expenses for the company are pre-dominantly variable (job work, carriage and marketing expenses). Revenue share under lease is mainly in case of malls, which is very miniscule.
- The company expects gross margins to remain in the current range going ahead.
- It has maintained its target to achieve mid to high single-digit SSSG in the long term.

#### Demand Scenario

- The company stated that demand slowness is an industry-wide phenomenon as reflected in a 40% decline in the company's MBO channel.
- VFL, however, feels that demand has been deferred and not lost and expects a recovery in 2HFY24 with the onset of the festive and wedding seasons.
- It has also indicated that the number of wedding dates in 2HFY24 is expected to be 30-40% higher vs. 2HFY23.
- Under the emerging brands segment:
  - Twamev saw better growth on the back of a lower base and increased store presence.
  - Women wear brand Mohey too witnessed decent growth with improved presence in seven new flagship stores.

## Emerging brands

### Twamev

- The company, during the quarter, launched three EBOs for Twamev spanning across 22,000sqft in aggregate.
- The segment further witnessed the launch of women wear. Early trends indicate a strong response to this category, with a revenue mix between 'Men:Women' at 55:45.
- The company, through this segment, looks to target families with an annual income of over INR5m.
- It will come out with a brand film soon.
- The company will continue to follow the bottom-up approach on designing, which would be based on demand.
- It is further looking to onboard new talent by scouting from places across hospitality and is training them to sell the products.
- The premium product category in this segment has enabled ASPs for the segment to range around 2-3x that of Manyavar and Mohey. Further, the average basket value is 3x of the flagship brand.
- In addition to the three new stores, the company plans to launch two new stores in the next three months. It also plans to sign 3-4 stores. The company will monitor these pilot stores and accordingly plan its expansion strategy.
- The stores opened under the brand are through existing franchise partners and the margin structure is very similar to that of Manyavar stores.

### Mohey

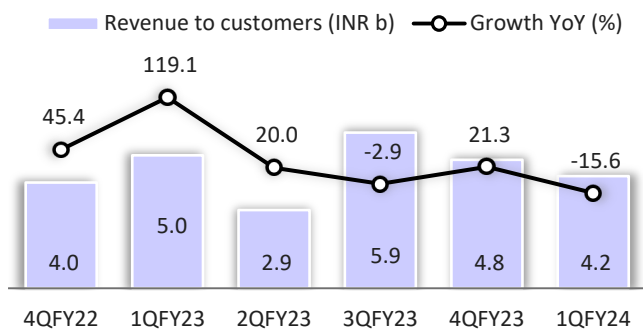
- The brand is witnessing increasingly better demand for products and is recording improved conversion rates and supply chain matrix.
- The EBO launch for the brand is expected to be launched in early 3QFY24. This would be followed by the opening of a couple of stores by the end of FY24 on the pilot basis.

### Footprint addition

- The company continued to increase retail footprint in 1QFY24 and opened 13 new stores during the quarter.
- Within India, the company has a store presence of 646 across 248 cities.
- During the quarter, the company opened its largest flagship store of 22,000 sqft in Bangalore.
- The three Twamev EBOs and the recently opened flagship store have been taken on lease on the company's book given the strategic importance of the locations.

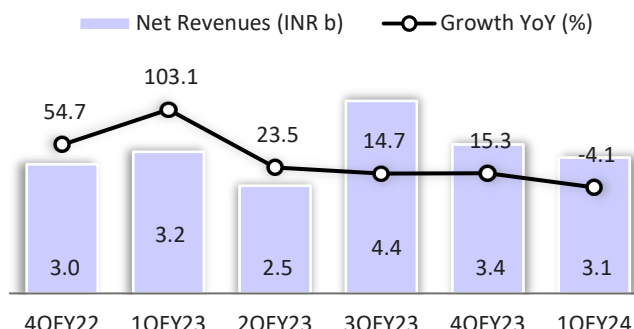
## Story in charts

**Exhibit 4: Sales to customers declined 16% YoY in 1QFY24**



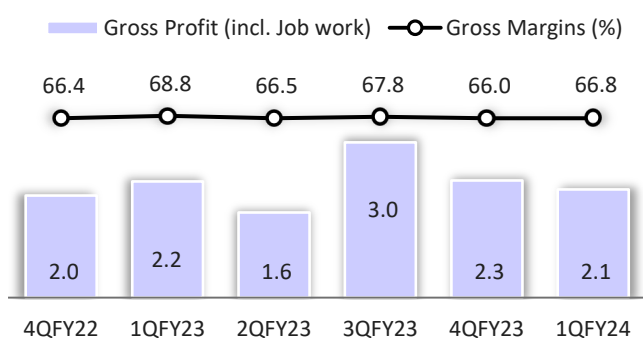
Source: MOFSL, Company

**Exhibit 5: Net revenues down 4% YoY**



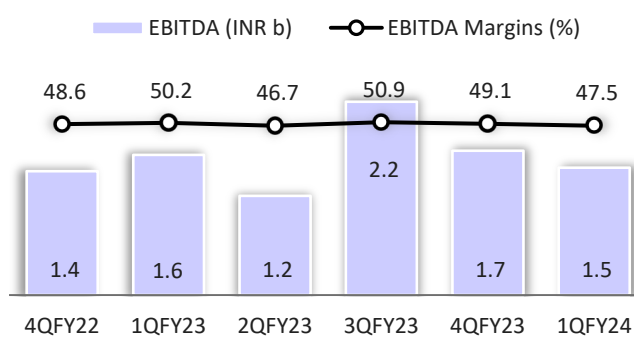
Source: MOFSL, Company

**Exhibit 6: Gross margins (Incl Job work) contracted 200bp YoY (Gross Profit in INR b)**



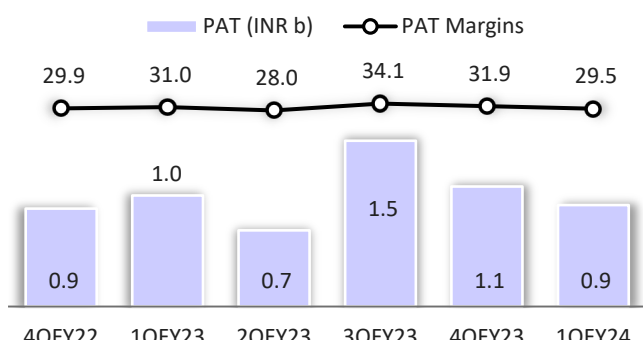
Source: MOFSL, Company

**Exhibit 7: EBITDA margins contracted to 47.5% in 1QFY24**



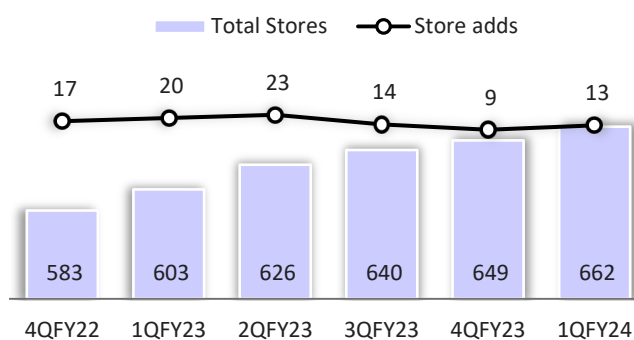
Source: MOFSL, Company

**Exhibit 8: PAT declined 9% YoY to INR0.9b**



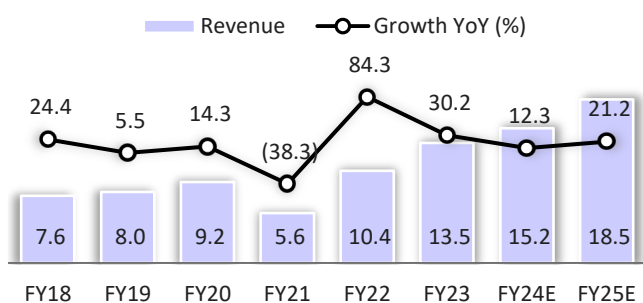
Source: MOFSL, Company

**Exhibit 9: Added 13 stores in 1QFY24**



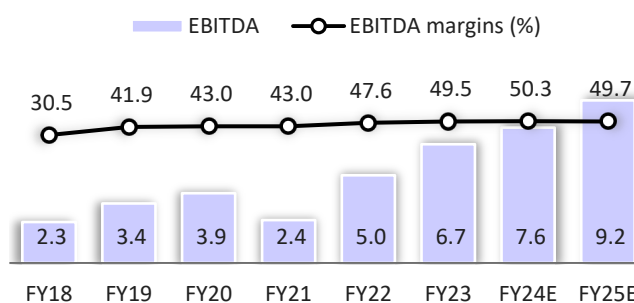
Source: MOFSL, Company

**Exhibit 10: Expect revenue CAGR of 17% over FY23-25**



Source: MOFSL, Company

**Exhibit 11: Expect 17% 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>15,221</b>	<b>18,453</b>
Change (%)	24.4	5.5	14.3	-38.3	84.3	30.2	12.3	21.2
Raw Materials	2,431	2,226	2,512	1,463	2,668	3,519	4,033	4,872
<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>11,187</b>	<b>13,581</b>
Margin (%)	68.0	72.2	72.6	74.1	74.4	74.0	73.5	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>10,228</b>	<b>12,419</b>
Margin (%)	60.5	65.0	65.3	66.8	66.9	67.4	67.2	67.3
Employees Cost	490	472	533	381	575	566	647	720
Other Expenses	2,355	1,951	2,173	1,373	2,206	2,755	2,892	3,691
<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>7,572</b>	<b>9,282</b>
% of Sales	69.5	58.1	57.0	57.0	52.4	50.5	49.8	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>7,648</b>	<b>9,171</b>
Margin (%)	30.5	41.9	43.0	43.0	47.6	49.5	50.3	49.7
Depreciation	97	643	887	955	944	1,038	1,293	1,489
<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>6,355</b>	<b>7,682</b>
Int. and Finance Charges	60	196	256	258	284	315	371	428
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>6,547</b>	<b>7,987</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>6,547</b>	<b>7,987</b>
Total Tax	785	945	752	490	1,081	1,467	1,650	2,013
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>4,897</b>	<b>5,974</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>4,897</b>	<b>5,974</b>
Change (%)	31.8	20.2	34.1	-43.8	136.9	36.3	14.1	22.0
Margin (%)	19.3	22.0	25.8	23.5	30.3	31.7	32.2	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	16,695	20,279
<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>16,937</b>	<b>20,522</b>
Total Loans	127	1,837	2,427	2,104	2,787	2,934	3,337	3,758
Lease Liabilities		1,837	2,427	2,104	2,787	2,934	3,337	3,758
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>22,010</b>	<b>26,016</b>
Gross Block	3,146	4,961	5,972	6,345	7,845	8,941	9,947	11,453
Less: Accum. Deprn.	141	745	1,062	1,912	2,856	3,894	5,058	6,547
<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>4,889</b>	<b>4,906</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>10,999</b>	<b>15,678</b>
Inventory	894	909	1,209	1,012	1,430	1,736	2,085	2,528
Account Receivables	3,166	3,327	3,721	3,612	3,967	4,734	5,838	7,078
Cash and Bank Balance	10	1,194	199	71	39	100	2,368	5,349
Loans and Advances	333	306	637	500	783	630	708	723
<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>3,270</b>	<b>3,960</b>
Account Payables	434	581	504	499	730	859	984	1,189
Other Current Liabilities	912	801	1,080	1,387	1,845	2,130	2,283	2,768
Provisions	2	2	4	4	4	2	3	3
<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>7,729</b>	<b>11,718</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>22,010</b>	<b>26,016</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>20.2</b>	<b>24.6</b>
Cash EPS	6.3	9.6	13.0	9.1	16.3	21.3	24.7	29.8
BV/Share	28.0	35.2	42.6	43.6	43.2	55.9	67.6	81.9
DPS	0.0	0.0	0.0	0.0	5.0	9.0	8.1	9.8
Payout (%)	0.0	0.0	0.0	0.0	38.5	50.9	40.0	40.0
<b>Valuation (x)</b>								
P/E	210.1	174.9	130.4	229.8	94.9	69.7	61.1	50.1
Cash P/E	197.1	128.2	94.8	135.1	75.4	57.9	49.8	41.3
P/BV	44.0	35.0	28.9	28.3	28.5	22.0	18.2	15.0
EV/Sales	40.6	38.6	33.9	54.4	29.0	22.3	19.7	16.1
EV/EBITDA	133.1	92.1	78.9	126.5	60.9	45.0	39.2	32.4
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	19.3	25.1
<b>Return Ratios (%)</b>								
RoE	28.5	22.3	24.3	12.3	29.0	34.6	31.7	31.9
RoCE	28.7	21.3	21.6	11.6	25.2	29.6	27.8	28.3
RoIC	29.2	24.4	25.7	11.8	33.3	43.3	44.9	49.3
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.4	1.6	1.5	0.9	1.3	1.5	1.5	1.6
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	189	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	3.4	4.0
Interest Cover Ratio	36.9	13.8	11.9	5.7	14.1	18.0	17.1	18.0
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	6,547	7,987
Depreciation	97	643	887	955	944	1,038	1,293	1,489
Interest & Finance Charges	60	196	256	258	284	315	371	428
Direct Taxes Paid	-718	-954	-750	-345	-1,090	-1,472	-1,650	-2,013
(Inc)/Dec in WC	-1,051	-67	-804	399	-450	-569	-1,251	-1,008
<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>5,311</b>	<b>6,883</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>4,747</b>	<b>6,150</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>4,697</b>	<b>6,100</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	-371	-428
Repayment of loan	0	0	-604	0	0	0	0	0
Others	0	-428	-595	-373	-3,928	-2,091	-2,622	-3,425
<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>-2,993</b>	<b>-3,852</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>2,268</b>	<b>2,981</b>
Opening Balance	10	12	21	89	66	36	98	2,366
<b>Closing Balance</b>	<b>7</b>	<b>21</b>	<b>89</b>	<b>66</b>	<b>36</b>	<b>98</b>	<b>2,366</b>	<b>5,346</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>2,368</b>	<b>5,349</b>

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SELL	< - 10%
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