

V-Mart Retail Ltd. (VRL)

Retail | 1QFY26 Result Update

BUY

CMP: Rs804 | Target Price (TP): Rs1,050 | Upside: 30.6%

July 27, 2025

Competitive intensity remains a big concern

Key Points

- VRL delivered a muted quarter in terms of revenue while surprising positively on margins and PAT. Revenue at Rs8.85bn was in line with consensus estimates and ~3.5% lower than NBIE estimates. The SSSG and SSSV were both up 1% YoY. Revenue was up 12.6% on YoY basis and most of this can be attributed to retail area expansion of 12.8% (4.4mn sqft as of end-1QFY26 vs 3.9mn sqft in 1QFY25) on YoY basis as overall ASP at Rs218 for 1QFY26 was down ~1% YoY. ASP for apparel at Rs326 was up 1.2% YoY. The sales per square feet grew 0.7% YoY to Rs716. This is in line with the SSSG and SSVG.
- Gross margin at 35.3% was up by 50bps higher than NBIE estimates. Gross margin was up by 10bps YoY. EBITDA margin at 14.3% was 350bps and 180bps higher than NBIE and consensus estimates. Lower purchase cost and lower other expenses helped beat margins. Purchase cost was down by 10bps YoY, while other expenses were down by 160bps on YoY basis. Other expenses were lower due to significantly reduced online marketing spends on Limeroad. PAT came in at Rs336mn and was 19% and 31% higher than NBIE and consensus estimates. The EBITDA beat coupled with lower-than-expected tax rate of 21.8% led to the beat.
- Footfalls for 1QFY26 were 20mn, up ~11% on YoY basis. This is the 2nd highest footfall in the history of VRL. Conversion at 48% was up by 100bps on YoY basis and highest in the last 6 quarters. VRL expects high single-digit SSSG for the next 3 quarters and the merchandise is also being planned in this fashion. VRL is offering more youth relevant choices and the pricing is also slightly sharper. We believe this will lead to mid-single digit SSSG growth for FY26.

Store expansions: As of 1QFY26-end, 15 new stores were opened (10 VRL & 5 UL) and 2 stores were closed (1 VRL & 1 UL) for a net addition of 13 stores, taking the total to 510 stores (421 VRL & 89 UL). VRL has guided for ~13-15% retail area addition for FY26. It is on track to achieve this and with few stores expected to be closed (~1-2%) overall it would look at 12% net addition. It has completed the majority of store closures in the past 2 years, but annually, a churn of 7-10 stores is business as usual. In absolute terms it expected net addition of 65 stores in FY26.

Valuation and outlook: Following 1QFY26, we have marginally decreased our revenue estimates for FY26/FY27 by 2.6%/0.5% due to muted SSSG and SSSV in 1Q. While there is strong momentum in footfalls, tight cost control, and continued store expansion plans, we remain concerned about the strong competitive intensity, as competitors are aggressive in their approach to expansion and pricing, and are innovating more with fresher stores and designs. We have cut our above consensus EPS estimates for FY26/FY27 by 36.9%/31.3% as we do not expect much ASP growth and believe that revenue growth is largely retail-area driven with negligible element of LTL growth. We are valuing VRL at EV/EBITDA with an unchanged multiple of 15x (10-year average mean is 0.75SD) on Jun-27E EV/EBITDA for a lower TP of Rs1,050 (vs earlier Rs1,315); we re-iterate our 'BUY' rating on the stock.

Est Change	Downward
TP Change	Downward
Rating Change	Maintain

Company Data and Valuation Summary

Reuters	VMAR.BO
Bloomberg	VMART IN Equity
Mkt Cap (Rsbn/US\$mn)	63.8 / 740.5
52 Wk H / L (Rs)	1,130 / 676
ADTV-3M (mn) (Rs/US\$)	205.2 / 2.4
Stock performance (%) 1M/6M/1yr	(8.5) / 8.1 / (4.8)
Nifty 50 performance(%) 1M/6M/1yr	(0.8) / 2.1 / 0.0

Shareholding	3QFY25	4QFY25	1QFY26
Promoters	44.3	44.3	44.2
DII's	32.5	32.9	31.5
FII's	17.3	17.5	18.3
Others	5.9	5.3	6.0
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Particulars (Rsmn)	FY24	FY25	FY26E	FY27E
Revenues	27,856	32,539	37,856	44,276
YoY (%)	13.0	16.8	16.3	17.0
Gross Margin	34.5	34.5	34.5	34.5
EBITDA	2,131	3,771	4,811	5,844
EBITDA Margin (%)	7.6	11.6	12.7	13.2
Reported PAT	-968	458	1,098	1,460
PAT Margin	-3.5	1.4	2.9	3.3
YoY (%)	NA	NA	240	133
EPS (Rs)	-49.1	23.2	13.8	18.4
RoE (%)	-12.1	5.9	12.6	14.6
Post Tax RoCE (%)	-0.7	16.5	16.0	19.0
Post Tax RoIC (%)	-0.8	17.3	16.7	20.1
P/E (x)	-16.4	34.6	58.1	43.7
EV/EBITDA (x)	30.0	16.9	13.3	10.9

Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research

Key Links-

Last results note: [4QFY25 result note](#)

Please refer to the disclaimer towards the end of the document

Exhibit 1: Quarterly performance

Particulars (Rsmn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	FY25	FY26	1QFY26E	Deviation
Net Sales	7861	6610	10267	7801	8852	7906	12019	9079	32539	37856	9189	-3.7%
YoY Change (%)	15.9	20.3	15.5	16.7	12.6	19.6	17.1	16.4	32.0	35.9	16.9	-
Gross Profit	2767	2221	3672	2582	3124	2688	4177	3087	11241	13075	3016	3.6%
Margin (%)	35.2	33.6	35.8	33.1	35.3	34.0	34.8	34.0	34.5	34.5	32.8	-
EBITDA	990	386	1714	681	1262	627	1975	948	3771	4811	994	26.9%
YoY Change (%)	88.7	5664.2	43.2	69.4	27.5	62.3	15.3	39.1	40.2	125.8	0.4	-
Margin (%)	12.6	5.8	16.7	8.7	14.3	7.9	16.4	10.4	12.7	10.8	10.8	-
Depreciation	568	592	626	544	679	727	718	702	2330	2826	403	68.3%
Interest	375	391	424	174	182	162	166	169	1365	679	208	-12.4%
Other Income	46	18	34	23	29	29	12	25	121	95	33	-10.3%
PBT	93	-580	697	229	429	-233	1104	102	440	1403	415	3.5%
Tax	-28	-15	-19	44	93	-51	240	22	-18	305	133	NA
ETR (%)	-30.3	2.6	-2.7	19.1	21.8	21.8	21.8	21.8	-4.1	21.8	32.0	-
Reported PAT	121	-565	716	185	336	-182	864	80	458	1098	282	19.1%
Adj. PAT	121	-565	716	185	336	-182	864	80	458	1098	282	19.1%
YoY Change (%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-
Adj. EPS (Rs)	6.1	-28.6	36.1	9.3	4.2	-2.3	10.9	1.0	23.2	13.8	3.6	17.9%

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Change in estimates

(Rsmn)	New estimates			Old estimates			% Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net sales	37,856	44,276	52,375	38,853	44,478	-	(2.6)	(0.5)	-
EBITDA	4,811	5,844	7,345	4,849	5,761	-	(0.8)	1.4	-
EBITDA (%)	12.7	13.2	14.0	12.5	13.0	-	20bps	20bps	-
PAT	1,098	1,460	1,541	1,740	2,126	-	(36.9)	(31.3)	-
EPS (Rs)	13.8	18.4	19.4	22.1	27.0	-	(37.3)	(31.8)	-

Source: Nirmal Bang Institutional Equities Research

Exhibit 3: Assumptions

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (Rs mn)	14,337	16,620	10,755	16,662	24,648	27,856	32,539	37,856	44,276	52,375
Retail Area (msf; YE)	1.79	2.21	2.30	3.30	3.70	3.86	4.30	4.78	5.24	5.91
Average Retail area (msf)	1.62	2.00	2.26	2.80	3.50	3.78	4.08	4.54	5.01	5.57
Revenue Per sqft per year (Rs)	8,878	8,310	4,769	5,951	7,042	7,369	7,975	8,342	8,840	9,397
Number of Stores (YE)	214	266	279	380	423	444	497	552	612	676
YoY growth in stores	25%	24%	5%	36%	11%	5%	12%	11%	11%	10%
Net stores added	43	52	13	101	43	21	53	55	60	64

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Analysis of key parameters

Y/E March	1QFY20	1QFY24	1QFY22	4QFY25	1QFY26	YoY %	QoQ %	FY25	FY26	YoY %	Change vs 1QFY20 (%)
No of stores	227	431	448	497	510	13.8	2.6	444	497	11.9	124.7
Retail space (msf)	1.90	3.80	3.90	4.30	4.40	12.8	2.3	3.9	4.3	11.4	131.6
Sales per sqft (Rs/month)	874	632	711	612	716	0.7	17.0	641	710	10.8	-18.1
Average selling price (total)	194	219	220	228	218	(0.9)	(4.4)	230	232	1.1	12.4
Transaction size (Rs)	720	1054	1036	1045	1004	(3.1)	(3.9)	1065	1045	-1.9	39.4
Footfall (mn)	11.2	13.0	18.0	18.0	20.0	11.1	11.1	55.0	73.0	32.7	78.6
Conversion rate	59.5%	56.0%	47.0%	45.0%	48.0%	-	-	49.0%	44.0%	-	-
Shrinkage (%)	1.00	1.30	1.70	1.10	0.70	-	--	1.5%	1.1%	-	-

Source: Company, Nirmal Bang Institutional Equities Research; Note: For some quarters, the sales/sqft numbers have been calculated by NBIE

Why we have a cautiously optimistic view on VRL: It is among the few pure-play listed value apparel retailers, catering to the Tier-2/Tier-3/Tier-4 cities of India. We see a huge runway for growth as it is currently concentrated only in the states of Uttar Pradesh, Bihar, and Jharkhand. There is a potential to address 5,000 towns in India. It is present only in ~320 currently. VRL caters to the requirements of the 'aspiring class' with added focus on demands of the youth and young families. A lot of its clientele is self-employed within these towns. The company's unique selling proposition (USP) is the provision of an exclusive range of reasonably-priced fashion apparel, making it a destination of choice. It has a cluster-based approach to expansion and new stores are set up not more than 100-150km away from an existing one. This helps VRL to be in tune with local customer preferences in terms of fashion, create economies of scale, and build brand visibility. It wants to be a volume player and uses private labels (~70-80% of apparel sales) to increase customer loyalty by providing unique designs. It has the optimum average selling price (ASP) for lower-tier cities. The key aspect of VRL is that in the pre-pandemic days it was a steady player delivering consistently high growth, industry-best EBITDA margin, and steady return ratios. Margins were as it expanded in lower-tier cities, which helped to keep its rentals and people costs low. VRL seems to have become less aggressive on retail area expansion lately and is now talking about a 12-13% annual growth compared to over 20% indicated previously. The acquisition of 'Unlimited' – the value fashion business of Arvind Fashions – effective 1-Sep-21 (with a decent-sized footprint in South India) will hasten the process of making VRL a national player without making inordinately large investments. It has launched an omnichannel initiative, which could be a big driver of growth going forward. In Oct-22, VRL announced asset acquisition of online value fashion marketplace 'Limeroad' (LR) to push its omnichannel strategy. We remain wary of the adverse shift in the competitive landscape with several deep-pocket national players like Reliance Retail (Trends & Yousta), Zudio (from Tata Group's Trent), Pantaloons (from Aditya Birla Group's ABFRL), etc., expanding rapidly in the value fashion space and competing for business from the same kind of customers.

Highlights from 1QFY26 results and analyst call

Revenue in line with estimates

- Average transaction size came in at Rs1,004 and was down 3.1% on YoY basis.
- Revenue growth in 1QFY26 was impacted due to preponement of EID in March as 1Q had no festivals. Apart from this, the India-Pakistan conflict slightly impacted some northern states and the early onset of monsoon in June also had a marginal impact on footfalls. Growth momentum continued on the back of increasing footfalls, billing, and a good wedding season this year. The states of Rajasthan and Uttarakhand performed well, while the eastern region remains under stress due to de-growth of footfalls, as the Bangladeshi consumers who were very active have reduced to a very large extent.
- The ASP for UL was down 3% YoY as a conscious strategy by VRL to shift more toward the value-led offerings.

Margins beat estimates

- The focus will remain on increasing the rupee gross margin and EBITDA margin and not so much in percentage terms. There will be some product categories planned, which will bring down gross margin slightly, but the plan is to largely maintain the current range on the back of stronger full price sell-through, which is expected to be higher going forward.
- Excluding LR, the gross margins were higher by 60bps YoY on account of better full price sell-through and liquidation of old inventory.
- For LR, it expects the business to continue to build the omnichannel, while reducing the e-commerce exposure leading to an improvement in operating results. EBITDA loss at LR was Rs46mn and down 56% on YoY basis. The marketing as percentage of NMV is down to 16% in 1QFY26 vs 27% in 1QFY25. VRL contribution to LR orders has increased to 35% in 1QFY26 from 27% in 1QFY25.
- Due to the changes made in the IND AS accounting policy, going forward, the depreciation on fixed assets should be ~Rs280mn per quarter vs Rs190mn earlier, while the depreciation on ROU assets will be ~Rs400mn, which will keep getting adjusted with new store additions and retirement cycle as the business grows. Also, the actual interest outgo per quarter should remain range bound at Rs30-50mn, and the notional interest cost on the ROU liability should come down from Rs320mn to Rs110mn going forward.
- In terms of UL, the gross margins were higher at around 39-40% as VRL charges 5% higher pricing in UL stores for almost similar products, due to higher operating cost in UL stores. Gross margins for VRL stores would be closer to 34%.

Demand environment

- The overall business looks good and customer sentiment in the market in terms of consumption remains steady. It is not very bullish and customers also have seasonality in terms of spending but it is expected to grow during the festival season.
- Inflation has been under control and is not creating concern for consumers, as VRLs consumers are more concerned with food inflation, which has remained stable. Growing MSP is also helping VRL consumers with better income and with a very strong start to the monsoons VRL is confident of growth in the upcoming quarters.
- There is a lot of competitor aggressiveness coming from all the sides with national competitors like Zudio, regional competitors like V2 Retail, and even the unorganized local competitors in play for the value retail segment. Different players are creating different strategies with some working toward high density and high-variety propositions for the consumer.

- VRL believes that the positive side about higher competition and differentiated propositions is that it is creating higher footfalls in the organized space, which can help all the organized players grow.
- Overall, demand in July was slow, but a bounce back is expected in August and September where the festival season starts to kick in. Durga Puja is preponed this year and will be in September, which is why VRL is confident about strong growth in 2Q.

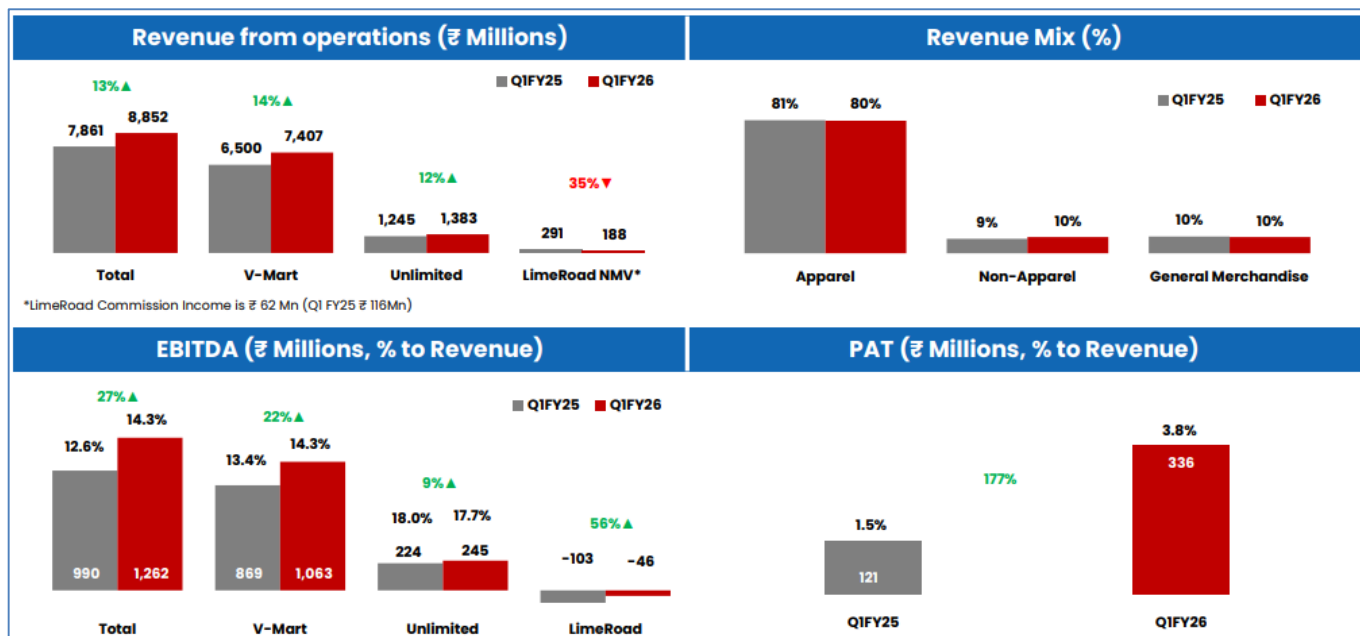
Store expansion, capex, and inventory management

- Inventory at the end of 1QFY26 was Rs180mn, translating to inventory days of 93. The provision for aged inventory came down from 1.7% in 1QFY25 to 0.7% in 1QFY26. Better inventory numbers came on the back of liquidation of old inventory and technology-led improvements leading to better sell-through and lower leftover inventory.
- Working capital utilization is at Rs350mn and is expected to increase in 2Q due to seasonal stocking; it is expected to remain in the range of Rs90-100mn for FY26.
- VRL generated FCF of Rs1.09bn in 1QFY26 on the back of efficient inventory management. Future growth will be funded through internal accruals and it will not take any long-term debt.
- Due to the intense competitive intensity and aggressive store opening by others, the overall rentals have spiked up. VRL is confident that this is a temporary phenomenon and as supply increases the rentals will normalize. It will remain prudent in choosing locations and only go ahead where the IRR is as per the required parameters. It is also okay with slow growth if the rentals remain too high. 5 years ago the rentals were at Rs36 per sqft and now are around Rs47 per sqft. The annual rental has been increasing at an average of 5-7% YoY.

Miscellaneous

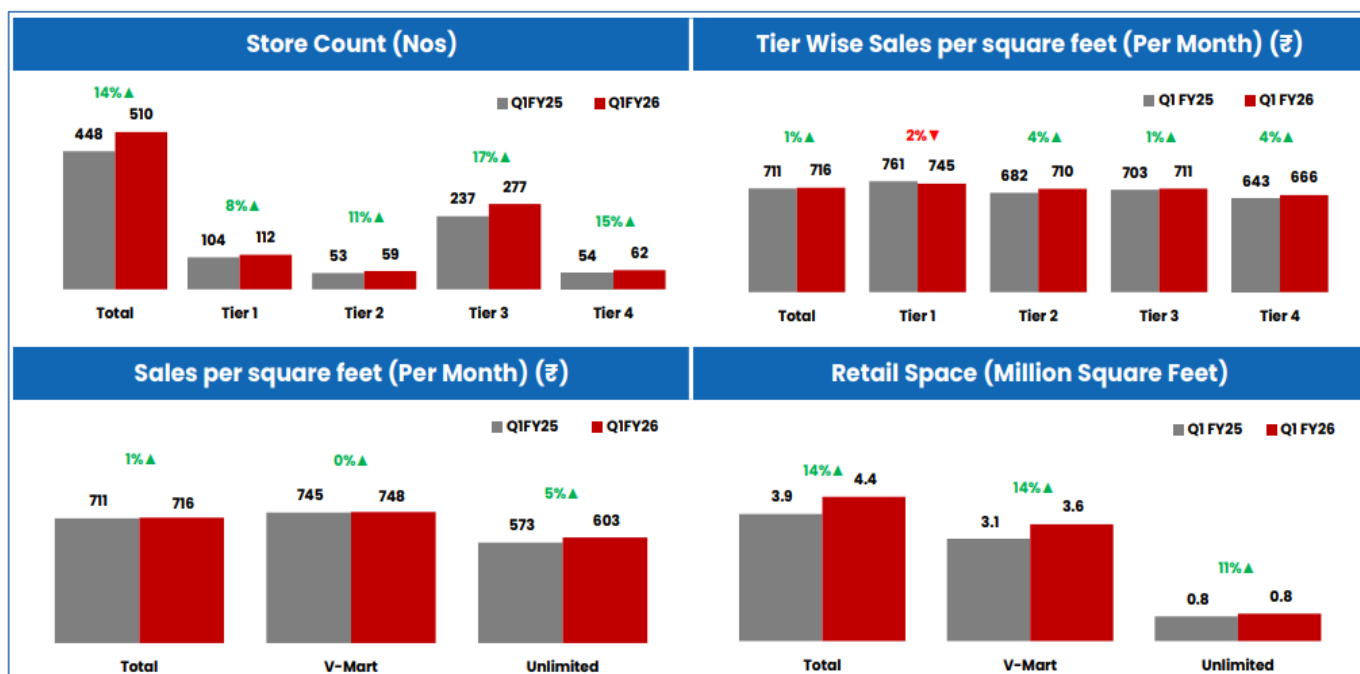
- Quick commerce has entered in the larger cities and has impacted ~20% of VRL's locations, where it is seeing muted growth or even de-growth in the grocery business, as quick commerce players are very aggressive in their strategy. VRL is not concerned with the impact as this is not a large part of its business.
- In terms of some of the big competitors, VRL indicated that they are more urban in nature and price points for similar items would be 15-20% higher as compared to VRL. There are certain products, especially in the entry level, where price points would be almost similar.
- For the past 2-3 quarters, VRL has been gradually reducing the marketing spend on the offline business along with a significant reduction in spending for the LR business. The historical average of marketing spends has been ~2-2.5% annually and VRL is slowly looking to bring this number down. The marketing spend is split between 80% for VRL and 20% for UL and the marketing strategy for both brands is similar.
- There is an overlap of ~50% in the product range between VRL and UL. This overlap is seen during the spring-summer time and the festival period. It changes in the winter due to seasonality. It is seeing good traction and success in the lower ASP products, which are placed in UL. VRL is confident of not increasing the ASPs in UL. It is inclined on providing value offerings and will converge toward the overall VRL ASP over the longer run.

Exhibit 5: Financial parameters for 1QFY26



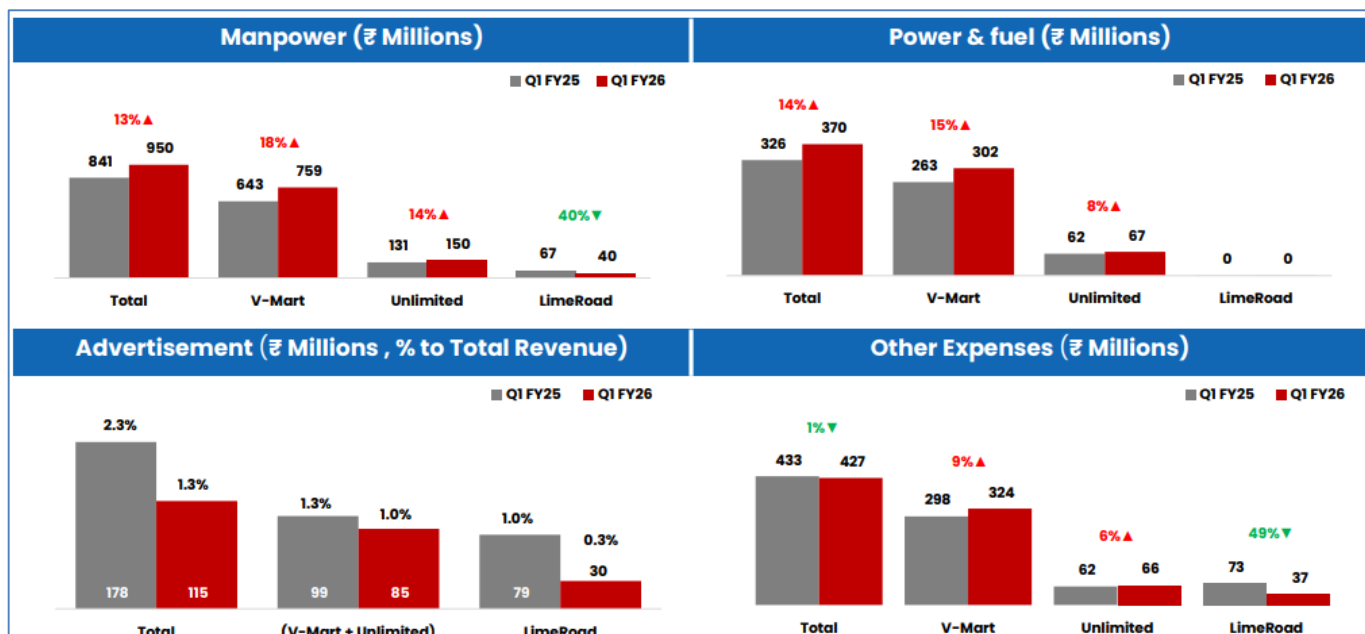
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: Operational parameters for 1QFY26



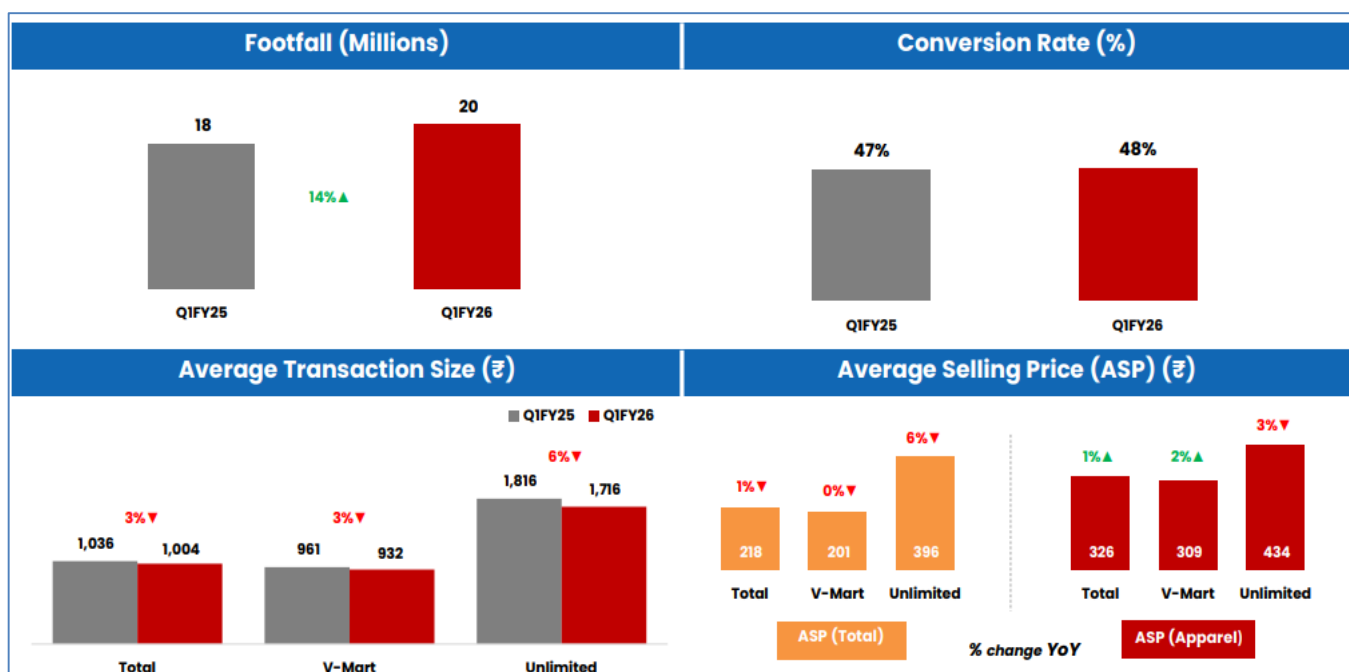
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: Operational expenses for 1QFY26



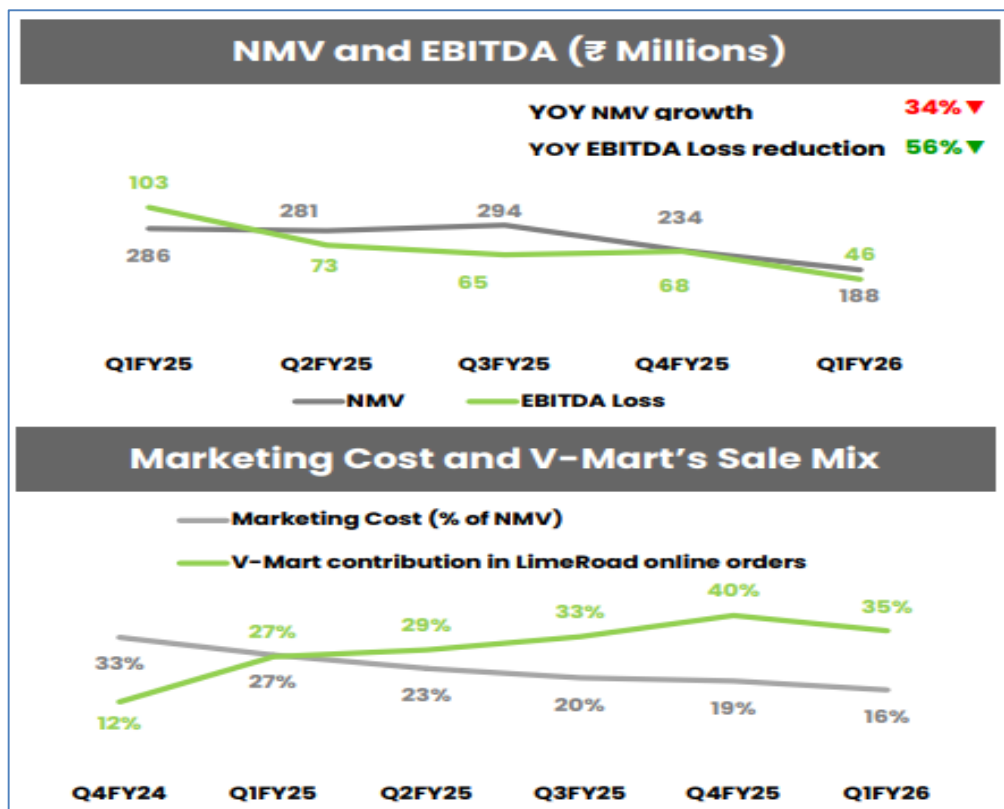
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Operational parameters for 1QFY26

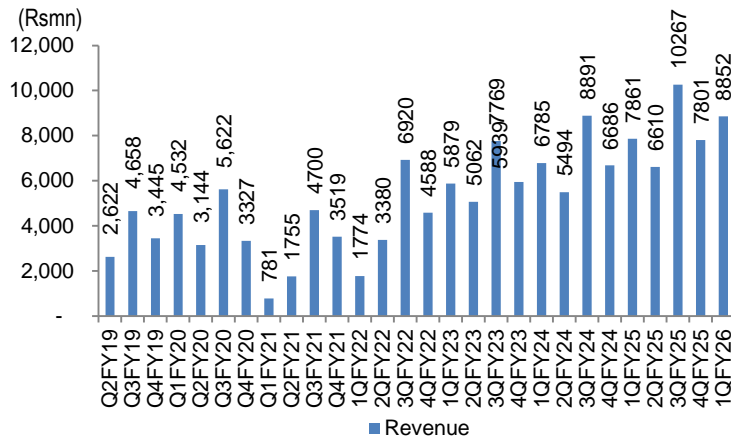


Source: Company, Nirmal Bang Institutional Equities Research

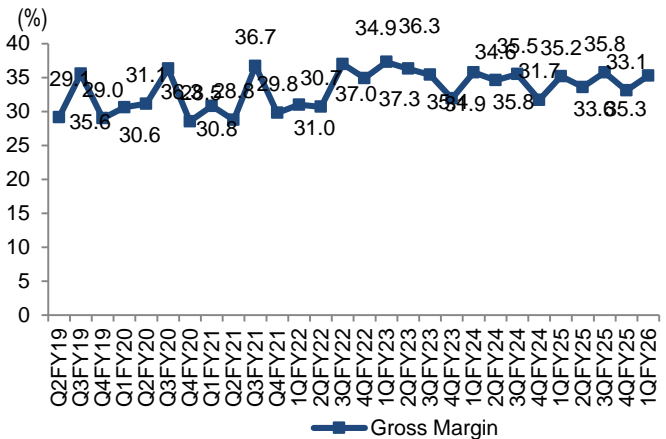
Exhibit 9: Limeroad financial parameters



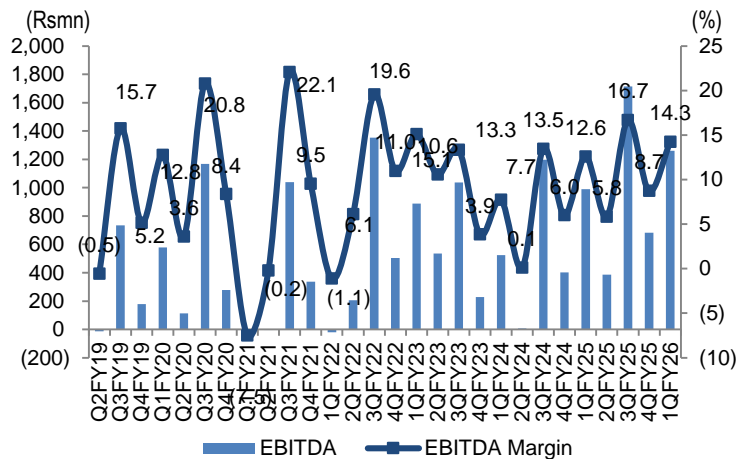
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Quarterly revenue trend


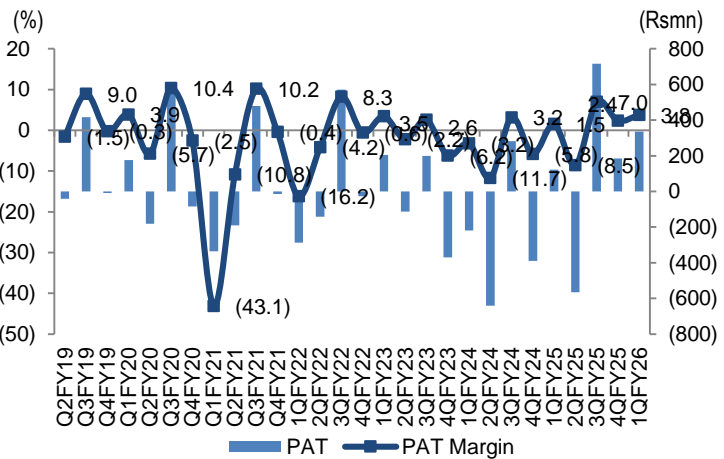
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: Quarterly gross margin


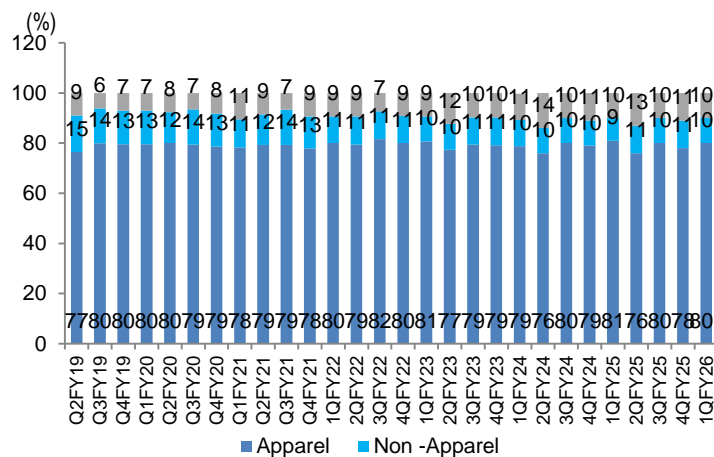
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 12: Quarterly EBITDA and margin


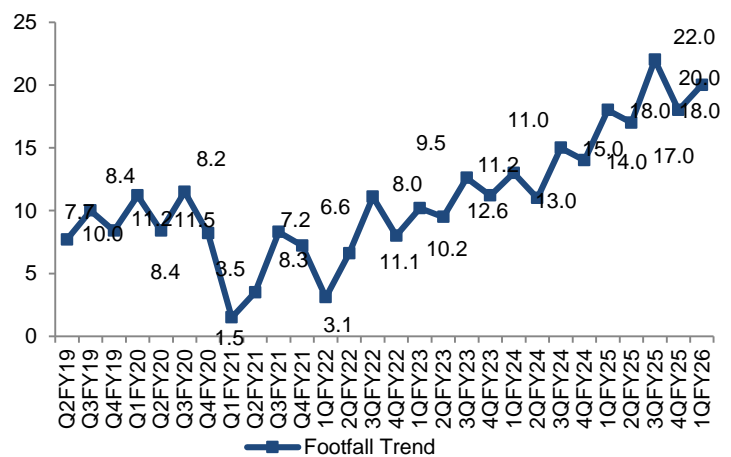
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Quarterly PAT and margin


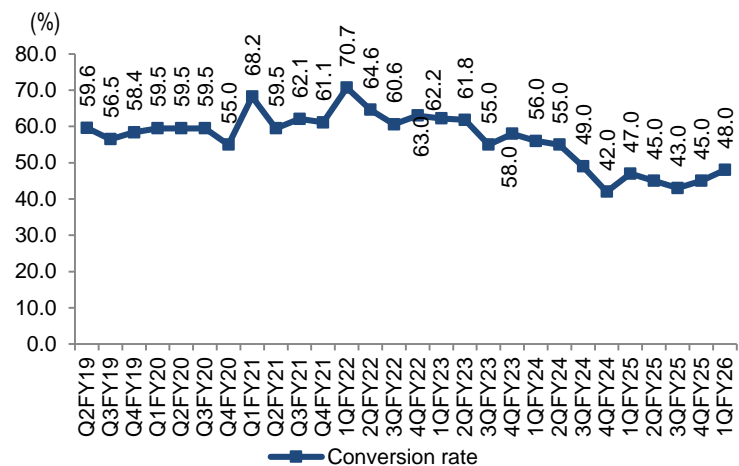
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Revenue mix


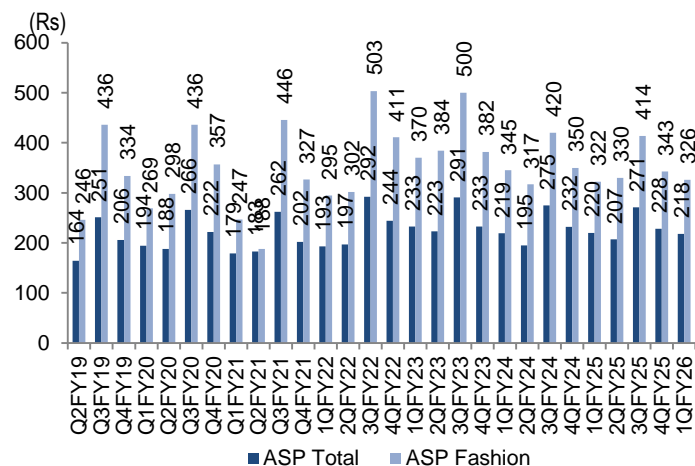
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 15: Footfall trend has strong momentum


Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 16: Conversion rate improves QoQ


Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 17: ASP moderates YoY


Source: Company, Nirmal Bang Institutional Equities Research

Financials (post-IndAS 116)

Exhibit 19: Income statement

Y/E March (Rsmn)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	27,856	32,539	37,856	44,276	52,375
Growth (%)	13.0	16.8	16.3	17.0	18.3
Purchases of stock-in-trade	17,705	23,005	22,944	28,688	33,936
Change in inventories	546	(1,708)	1,836	300	300
COGS	18,251	21,297	24,780	28,988	34,236
Gross Profit	9,605	11,241	13,075	15,288	18,139
Gross Margin (%)	34.5	34.5	34.5	34.5	34.6
Employee expenses	2,871	3,634	4,162	4,786	5,504
% of sales	10.3	11.2	11.0	10.8	10.5
Other expenses	4,604	3,837	4,102	4,658	5,291
% of sales	16.5	11.8	10.8	10.5	10.1
Total expenditure	25,725	28,768	33,044	38,432	45,031
EBITDA	2,131	3,771	4,811	5,844	7,345
Growth (%)	(20.8)	77.0	27.6	21.5	25.7
EBITDA Margin (%)	7.6	11.6	12.7	13.2	14.0
Depreciation	2221	2330	2826	3270	4404
EBIT	-91	1441	1986	2573	2941
Other income	210	121	95	71	36
Interest costs	1424	1365	679	779	1008
Exceptional Items	0	242	0	0	0
PBT	(1,305)	440	1,403	1,866	1,970
Tax	(337)	(18)	305	406	428
Effective tax rate (%)	25.9	-4.1	21.8	21.8	21.8
PAT	(968)	458	1098	1460	1541
Growth (%)	NM	NM	LP	33.0	5.6
PAT Margin (%)	(3.5)	1.4	2.9	3.3	2.9
EPS (Rs)	(49.1)	23.2	13.8	18.4	19.4

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 21: Balance sheet

Y/E March (Rsmn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	198	198	794	794	794
Reserves	7,272	7,904	8,486	9,945	11,487
Net worth	7,470	8,102	9,280	10,739	12,281
Long term debt	12,813	6,336	7,002	9,280	11,550
Short term debt	1,100	1,490	500	700	900
Total debt	13,913	7,825	7,502	9,980	12,450
Net debt	13,640	7,431	7,393	9,251	11,877
Other non-current liabilities	126	170	175	175	175
Total Equity & Liabilities	21,508	16,097	16,956	20,895	24,906
Net Block	4,898	5,274	5,378	7,273	9,034
CWIP	38	43	27	27	27
Intangible and others	11,971	5,573	5,675	8,011	9,846
Other non-current assets	1,198	1,214	1,237	1,237	1,237
Investments	47	51	171	171	171
Inventories	8,161	9,868	11,348	11,524	13,640
Cash & Cash Equivalents	272	394	109	730	573
Other current assets	1,868	1,945	2,076	2,245	2,432
Total current assets	10,348	12,258	13,703	14,670	16,816
Trade payables	6,337	7,620	8,171	9,429	11,160
Other current liabilities	608	646	894	894	894
Total current liabilities	6,945	8,266	9,065	10,323	12,054
Total Assets	21,508	16,097	16,956	20,895	24,906

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 20: Cash flow statement

Y/E March (Rsmn)	FY24	FY25	FY26E	FY27E	FY28E
PBT	-1,305	440	1,403	1,866	1,970
(Inc.)/Dec in working capital	1,857	-549	-890	1,107	-377
Cash flow from operations	552	-110	513	2,972	1,592
Other income	-210	-121	-95	-71	-36
Depreciation	2,221	2,330	2,826	3,270	4,404
Tax paid	337	18	-305	-406	-428
Net cash from operations	3,859	3,494	2,938	5,765	5,531
Capital expenditure	-1,376	-799	-700	-713	-748
Net cash after capex	2,483	2,695	2,238	5,053	4,783
Other investing activities	358	220	450	546	546
Cash from financial activities	-2,590	-2,149	-1,660	-691	-891
Opening cash	181	272	394	109	730
Closing cash	272	394	109	730	573
Change in cash	92	122	-286	621	-157

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 22: Key ratios

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Per share (Rs)					
EPS	-49.1	23.2	13.8	18.4	19.4
Book value	379	411	117	135	155
Valuation (x)					
P/E	-16.0	33.8	56.8	42.7	40.4
P/sales	2.2	1.9	1.6	1.4	1.2
P/BV	2.1	1.9	6.7	5.8	5.1
EV/EBITDA	29.2	16.5	12.9	10.7	8.5
EV/sales	2.2	1.9	1.6	1.4	1.2
Return ratios (%)					
RoE	-12.1	5.9	12.6	14.6	13.4
Post-Tax RoCE	-0.7	16.5	16.0	19.0	18.7
Post-Tax RoIC	-0.8	17.3	16.7	20.1	20.0
Margins (%)					
Gross margin	34.5	34.5	34.5	34.5	34.6
EBITDA margin	7.6	11.6	12.7	13.2	14.0
EBIT margin	-0.3	4.4	5.2	5.8	5.6
PBT margin	-4.7	1.4	3.7	4.2	3.8
PAT margin	-3.5	1.4	2.9	3.3	2.9
Turnover ratio					
Asset turnover ratio (x)	1.0	1.2	1.5	1.5	1.5
Inventory days (of COGS)	116	125	125	109	111
Payable days (of COGS)	90	97	90	90	90
Cash Conversion Cycle	26	29	35	20	20
Solvency ratios (x)					
Net Debt-equity	0.1	0.1	0.0	0.0	0.0
Growth (%)					
Sales	13.0	16.8	16.3	17.0	18.3
EBITDA	-20.8	77.0	27.6	21.5	25.7
PAT	NM	NM	LP	33.0	5.6

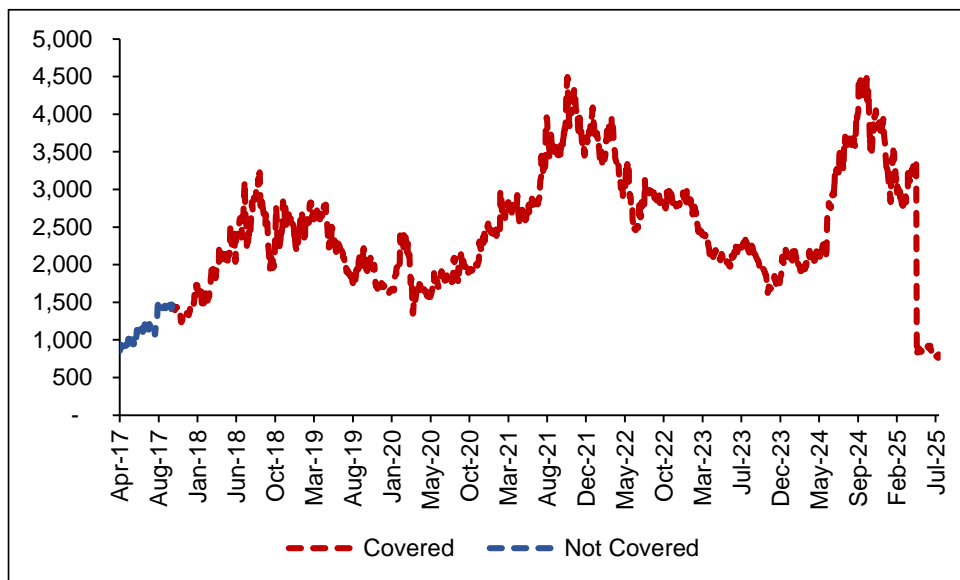
Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
16 October 2017	Buy	1,435	1,797
13 November 2017	Buy	1,399	1,797
15 February 2018*	Buy	1,600	2,039
28 May 2018	Hold	2,314	2,318
18 June 2018	Hold	2,398	2,318
26 July 2018	Hold	2,351	2,318
9 November 2018	Hold	2,383	2,369
7 February 2019	Under Review	2,700	-
12 March 2019	Hold	2,811	2,694
10 April 2019	Hold	2,551	2,694
15 May 2019	Hold	2,352	2,548
6 August 2019	Buy	1,800	2,316
5 November 2019	Buy	1,891	2,283
7 February 2020	Hold	2,370	2,283
26 March 2020	Buy	1,365	2,205
2 June 2020	Buy	1,621	2,229
12 August 2020	Buy	1,775	2,226
23 September 2020	Buy	2,000	2,367
12 November 2020	Buy	1,968	2,350
7 January 2021	Hold	2,470	2,761
26 January 2021	Buy	2,498	3,017
1 June 2021	Hold	2,766	2,871
26 July 2021	Hold	3,355	3,427
12 August 2021	Hold	3,424	3,486
26 September 2021	Hold	3,536	3,896
11 November 2021	Hold	4,216	4,116
12 February 2022	Hold	3,583	3,855
27 May 2022	Hold	3,280	3,685
10 August 2022	Buy	2,949	3,562
19 October	Buy	2,782	3,664
15 November 2022	Buy	2,817	3,665
21 December 2022	Buy	2,961	3,665
08 February 2023	Buy	2,637	3,301
22 March 2023	Buy	2,637	3,497
19 May 2023	Hold	2,056	2,239
11 August 2023	Hold	2,389	2,299
04 September 2023	Hold	2,255	2,299
08 November 2023	Buy	1,685	1,958
08 February 2024	Hold	2,108	2,313
03 April 2024	Hold	2,097	2,313
16 May 2024	Hold	2,136	2,061
02 July 2024	Hold	2,892	2,990
07 August 2024	Hold	3,284	3,246
31 October 2024	Hold	4,482	4,325
05 February 2025	Buy	3,518	4,288
06 May 2025	Buy	3,166	3,946
30 June 2025	Buy	857	1,315
27 July 2025	Buy	804	1,050

*Announced bonus shares 3:1 on 2-May-25

Rating track graph



DISCLOSURES

This Report is published by Nirmal Bang Equities Private Limited (hereinafter referred to as “NBEPL”) for private circulation. NBEPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001436. NBEPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments.

NBEPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBEPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBEPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBEPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBEPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBEPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBEPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBEPL / analyst has not been engaged in market making activity of the subject company.

Analyst Certification: I, Suket Kothari, the author of this report, hereby certify that the views expressed in this research report accurately reflects my personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst is principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Disclaimer

Stock Ratings Absolute Returns

BUY > 15%

HOLD -5% to 14%

SELL < -5%

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. NBEPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBEPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBEPL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBEPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBEPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBEPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBEPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBEPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBEPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBEPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

Copyright of this document vests exclusively with NBEPL.

*"Registration granted by SEBI and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors."

Our reports are also available on our website www.nirmalbang.com

Access all our reports on Bloomberg, Thomson Reuters and Factset.

Team Details:			
Name		Email Id	Direct Line
Rahul Arora	CEO	rahul.arora@nirmalbang.com	-
Krishnan Sambamoorthy	Head of Research	krishnan.s@nirmalbang.com	+91 22 6273 8210
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

Nirmal Bang Equities Pvt. Ltd.

Correspondence Address

B-2, 301/302, Marathon Innova,
 Nr. Peninsula Corporate Park,
 Lower Parel (W), Mumbai-400013.

Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010