

# V-Mart Retail Ltd. (VRL)

Retail | 2QFY26 Result Update

**DOWNGRADE TO HOLD**
**CMP: Rs775 | Target Price (TP): Rs869 | Upside: 12.1%**
**November 12, 2025**

## Growing competition will intensify growth pressure

### Key Points

- VRL delivered a good quarter in terms of revenue growth and positively surprised on EBITDA margins while narrowing PAT level loss. Revenue at Rs8,069mn was 0.8% and 2.2% above NBIE and consensus estimates. It was up by 156.8% against 2QFY20 revenue and retail area expansion during the same period was 130%. ASP during the same period has grown by ~17% indicating only marginal SSSG over a 6-year period. SSSG for 2QFY26 grew by 11% YoY with both VRL and UL growing by 11% YoY. SSSV for 2QFY26 grew by 6% YoY with VRL at 5% and UL at 17% YoY growth.
- EBITDA margin at 8.9% was 190bps and 20bps above NBIE and consensus estimates. Lower other expenses (-200bps YoY) contributed to margin expansion. EBITDA for VRL was at 9.3% and for UL it was 9.9%. For FY26, there will be marginal improvement in EBITDA margins over FY25 (11.7%) even with a mid-single digit SSSG. Gross margin was 33.6% and remained flat on YoY basis. This was after 37% decrease in commission revenue from Limeroad which contributes only 1% to sales but flows 100% in gross margins. Excluding Limeroad, gross margins expanded 60bps on YoY basis. Gross margins were aided by a lower share of low margin product lines like FMCG and lower inventory provisioning as freshness is better. For FY26, Gross margins are expected to be similar to FY25 (34.5%) excluding Limeroad losses.
- Footfalls came in at 19mn vs 17mn in 2QFY25. Early festive season contributed to the YoY increase in footfalls. Conversion rate was 47% and it expanded by 200bps on YoY basis. Total ASP was Rs214 and was up 4% YoY. ASP for apparels was Rs347 and was up 5% YoY. For 3Q, SSSG is expected to be in the mid-single digit range as there was early festive season, so some of the growth has already come in 2Q. For VRL, ASP was up by 7% YoY and this was largely due to the mix as the early festive season led to lower days of discounted sales.

**Store expansions:** VRL opened 25 new stores (VRL: 18; UL: 7) and closed 2 stores (VRL: 1; UL: 1) for a net addition of 23 stores. For 1HFY26, it opened 40 (VRL: 28; UL: 12) new stores and closed 4 (VRL: 2; UL: 2) stores. For FY26, it has increased the expansion guidance to 70-75 stores and will close another 3-4 stores in 2HFY26. VRL has already opened 16 new stores in Oct-Nov taking the total store count to 549 stores. VRL has a strong focus on expansion and is trying to accelerate the expansion, but it will not be aggressive like the larger players as property rates are quite high and it will expand only profitably.

**Valuation and outlook:** Post 2QFY26, we have largely left our estimates unchanged. 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 do not expect much ASP growth and believe that revenue growth is largely retail-area driven with negligible element of LTL growth. For FY26E, we expect mid-high SSSG and therefore bake in 130bps EBITDA margin expansion over FY25. We are valuing VRL at EV/EBITDA with a lower multiple of 11.8x (FY14-FY26 average mean -1SD) vs earlier 15x on Sep-27E EV/EBITDA for a lower TP of Rs869 (vs earlier Rs1,050); We downgrade the stock from 'BUY' to 'HOLD' due to inconsistency in growth over the past 4-5 years.

Est Change	Maintain
TP Change	Downward
Rating Change	Downward

### Company Data and Valuation Summary

Reuters	VMAR.BO
Bloomberg	VMART IN Equity
Mkt Cap (Rsbn/US\$mn)	61.7 / 695.4
52 Wk H / L (Rs)	1,035 / 676
ADTV-3M (mn) (Rs/US\$)	274.0 / 3.1
Stock performance (%) 1M/6M/1yr	(8.8) / (9.4) / (24.3)
Nifty 50 performance(%) 1M/6M/1yr	2.0 / 5.0 / 7.1

Shareholding	4QFY25	1QFY26	2QFY26
Promoters	44.3	44.2	44.2
DII's	32.9	31.5	32.1
FII's	17.5	18.3	17.5
Others	5.3	6.0	6.3
Pro pledge	0.0	0.0	0.0

### Financial and Valuation Summary

Particulars (Rsmn)	FY24	FY25	FY26E	FY27E
Revenues	27,856	32,539	38,104	44,619
YoY (%)	13.0	16.8	17.1	17.1
Gross Margin	34.5	34.5	34.5	34.5
EBITDA	2,131	3,771	4,930	6,014
EBITDA Margin (%)	7.6	11.6	12.9	13.5
Reported PAT	-968	458	1,104	1,420
PAT Margin	-3.5	1.4	2.9	3.2
YoY (%)	NA	NA	242	129
EPS (Rs)	-49.1	23.2	13.9	17.9
RoE (%)	-12.1	5.9	12.7	14.2
Post Tax RoCE (%)	-0.7	16.5	16.0	18.0
Post Tax RoIC (%)	-0.8	17.3	16.7	19.1
P/E (x)	-15.8	33.4	55.7	43.3
EV/EBITDA (x)	28.9	16.3	12.5	10.2

Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research

### Key Links-

Last results note: [1QFY26 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	FY26E	2QFY26E	Deviation
<b>Net Sales</b>	<b>7861</b>	<b>6610</b>	<b>10267</b>	<b>7801</b>	<b>8852</b>	<b>8069</b>	<b>12056</b>	<b>9127</b>	<b>32539</b>	<b>38104</b>	<b>8005</b>	<b>0.8%</b>
YoY Change (%)	15.9	20.3	15.5	16.7	12.6	22.1	17.4	17.0	32.0	36.8	21.1	-
<b>Gross Profit</b>	<b>2767</b>	<b>2221</b>	<b>3672</b>	<b>2582</b>	<b>3124</b>	<b>2714</b>	<b>4190</b>	<b>3103</b>	<b>11241</b>	<b>13131</b>	<b>2602</b>	<b>4.3%</b>
Margin (%)	35.2	33.6	35.8	33.1	35.3	33.6	34.8	34.0	34.5	34.5	32.5	-
<b>EBITDA</b>	<b>990</b>	<b>386</b>	<b>1714</b>	<b>681</b>	<b>1262</b>	<b>715</b>	<b>1989</b>	<b>964</b>	<b>3771</b>	<b>4930</b>	<b>558</b>	<b>28.2%</b>
YoY Change (%)	88.7	5664.2	43.2	69.4	27.5	85.2	16.0	41.5	40.2	131.4	44.4	-
Margin (%)	12.6	5.8	16.7	8.7	14.3	8.9	16.5	10.6	12.9	7.0	7.0	-
Depreciation	568	592	626	544	679	711	763	752	2330	2906	707	<b>0.6%</b>
Interest	375	391	424	174	182	175	199	203	1365	759	176	<b>-0.6%</b>
Other Income	46	18	34	23	29	34	32	32	121	128	29	<b>18.5%</b>
<b>PBT</b>	<b>93</b>	<b>-580</b>	<b>697</b>	<b>229</b>	<b>429</b>	<b>-136</b>	<b>1058</b>	<b>41</b>	<b>440</b>	<b>1392</b>	<b>-296</b>	<b>NA</b>
Tax	-28	-15	-19	44	93	-47	233	9	-18	288	-64	<b>NA</b>
ETR (%)	-30.3	2.6	-2.7	19.1	21.8	34.8	22.0	22.0	-4.1	20.7	21.8	
Reported PAT	121	-565	716	185	336	-89	825	32	458	1104	-231	<b>NA</b>
<b>Adj. PAT</b>	<b>121</b>	<b>-565</b>	<b>716</b>	<b>185</b>	<b>336</b>	<b>-89</b>	<b>825</b>	<b>32</b>	<b>458</b>	<b>1104</b>	<b>-231</b>	<b>NA</b>
YoY Change (%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-
<b>Adj. EPS (Rs)</b>	<b>6.1</b>	<b>-28.6</b>	<b>36.1</b>	<b>9.3</b>	<b>4.2</b>	<b>-1.2</b>	<b>10.4</b>	<b>0.4</b>	<b>23.2</b>	<b>13.9</b>	<b>-2.9</b>	<b>NA</b>

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	38,104	44,619	52,876	37,856	44,276	52,375	0.7	0.8	1.0
EBITDA	4,930	6,014	7,554	4,811	5,844	7,345	2.5	2.9	2.9
EBITDA (%)	12.9	13.5	14.3	12.7	13.2	14.0	20bps	30bps	30bps
PAT	1104	1420	1541	1098	1460	1541	0.6	(2.7)	0.0
EPS (Rs)	13.9	17.9	19.4	13.8	18.4	19.4	0.6	(2.7)	(0.0)

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	38,104	44,619	52,876
Retail Area (msf; YE)	1.79	2.21	2.30	3.30	3.70	3.86	4.30	4.94	5.47	6.27
Average Retail area (msf)	1.62	2.00	2.26	2.80	3.50	3.78	4.08	4.62	5.20	5.87
Revenue Per sqft per year (Rs)	8,878	8,310	4,769	5,951	7,042	7,369	7,975	8,247	8,574	9,007
Number of Stores (YE)	214	266	279	380	423	444	497	563	623	687
YoY growth in stores	25%	24%	5%	36%	11%	5%	12%	13%	11%	10%
Net stores added	43	52	13	101	43	21	53	66	60	64

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 4: Analysis of key parameters**

Y/E March	2QFY20	2QFY24	2QFY22	1QFY26	2QFY26	YoY %	QoQ %	FY24	FY25	YoY %	Change vs 2QFY20 (%)
No of stores	236	437	467	510	533	14.1	4.5	444	497	11.9	125.8
Retail space (msf)	2.00	3.80	4.00	4.40	4.60	15.0	4.5	3.9	4.3	11.4	130.0
Sales per sqft (Rs/month)	590	482	558	716	598	7.2	(16.5)	641	710	10.8	1.3
Average selling price (total)	188	195	207	218	216	4.3	(0.9)	230	232	1.1	14.9
Transaction size (Rs)	709	1001	1001	1004	981	(2.0)	(2.3)	1065	1045	-1.9	38.4
Footfall (mn)	8.4	11.0	17.0	20.0	19.0	11.8	(5.0)	55.0	73.0	32.7	126.2
Conversion rate	59.5%	55.0%	45.0%	48.0%	46.0%	-	-	49.0%	44.0%	-	-
Shrinkage (%)	1.50	0.70	1.50	0.70	0.90	-	-	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 ~330 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 existing ones. 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 improving 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 2QFY26 results and analyst call

### Revenue beats estimates

- For 1HFY26, the SSSG was at 5% with both VRL and UL growing by 5% YoY.

### Margins beat estimates

- Loss after tax was Rs89mn vs Rs565mn in 2QFY25 and was down 84% on YoY basis.
- For 1HFY26, advertisement revenue was at 1.8% of sales vs 2.7% in 2QFY25.
- Losses from Limeroad reduced by 53% YoY to Rs34mn in 2QFY26.
- Total expenses grew ~11% on YoY basis due to planned significant drop in expenses in Limeroad and lower offline marketing spends.
- VRL has been able to increase footfalls and sales despite lower marketing cost as it has focused higher on digital advertising with micro influencers.

### Demand environment

- From 2Q to 3Q, the overall demand environment has improved and there is positivity on the ground mainly due to the GST rate reduction as this will help the target audience of VRL with additional savings.
- As of now GST benefits have been seen only in higher ticket size items and low priced items which are the majority of the VRL stock have not seen any such benefits yet.
- The competitive intensity has remained strong, but VRL believes that all the retailers are doing well and the organized retail's share is increasing gradually. Due to competition, ~30-35% of VRL stores see a revenue impact or 1-2 months of disturbance whenever a competitor opens a new store where VRL is already present.
- The extended rainfall impacted revenue mainly in the Eastern India zone which is a big market for VRL. Apart from that cyclonic activity in Southern India too caused some disruption.
- This year Diwali was early and VRL sold more summer-related products which pulled ASPs down, but it expects a strong post Diwali sales period as winter has picked up well with strong footfalls seen in the last 1 month. The wedding season will also be longer as festivals ended earlier and this will benefit the retail industry.
- There is high pressure on the vendor network and there is stress because of the high number of stores being opened by value retailers. All value retailers are chasing similar vendors.
- In South India, the competitive intensity is lower as compared to the rest of India, but a new player is entering the market apart from Zudio and Max who are already present. Northern India is tough in terms of competition, but VRL has a strong position in this region.

### Store expansion, capex, and inventory management

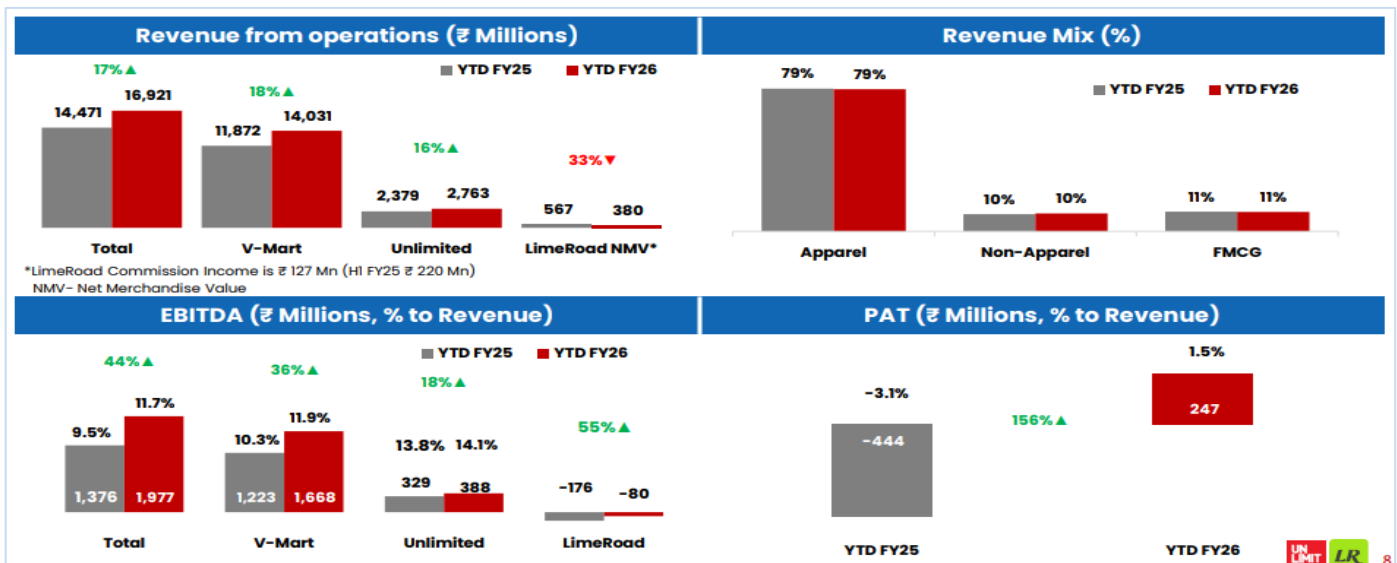
- All the new stores which were opened in the last year have delivered better EBITDA margins as compared to the overall company.
- Inventory at the end of the quarter was Rs10.4bn (+Rs2.2bn QoQ) and inventory days were at 97 during the quarter which is a 2-day improvement on YoY basis.
- Southern India penetration continues and VRL has seen good response in a few states. Telangana and Andhra Pradesh continue to struggle. Tamil Nadu has good potential and it will look to penetrate this state further.

- Capex for 2QFY26 was Rs300mn and this was majorly directed towards new store openings and old store refurbishments.

## Miscellaneous

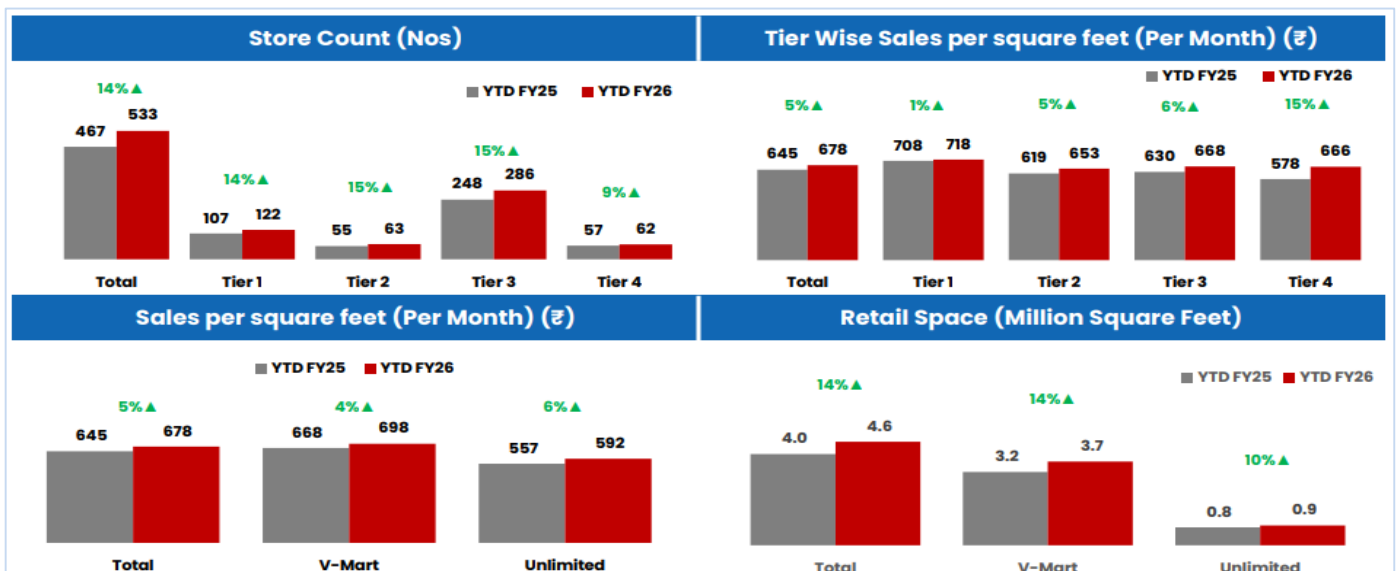
- VRL is focusing largely on Omni orders and has shifted a lot of the store-led Omni orders to prepaid orders which improves the return rate and lowers customer cancellations.
- For 2QFY26, it generated FCF of Rs270mn vs –Rs630mn in 2QFY25.
- The private label mix in apparels is ~67% and overall gross margin profile is not different from other products.
- The design team has ~20-23 members and it will continue to hire some more members. The average age is 29 years.
- Beauty products and artificial jewelry has been launched in ~20-25% of stores and it has contributed ~1.5-2% of sales in those stores. Some supply chain issues still exist in this area of business. By the next year it expects to launch in ~50% of all VRL stores.

**Exhibit 5: Financial parameters for 2QFY26**



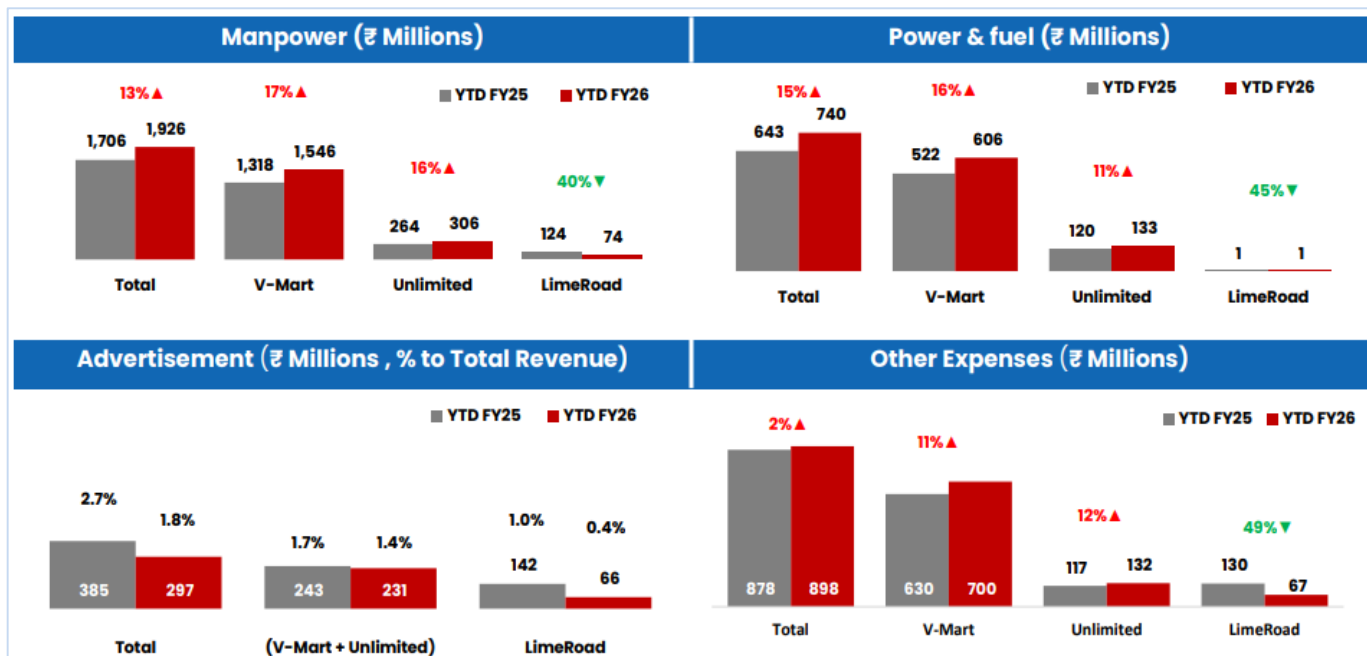
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 6: Operational parameters for 2QFY26**



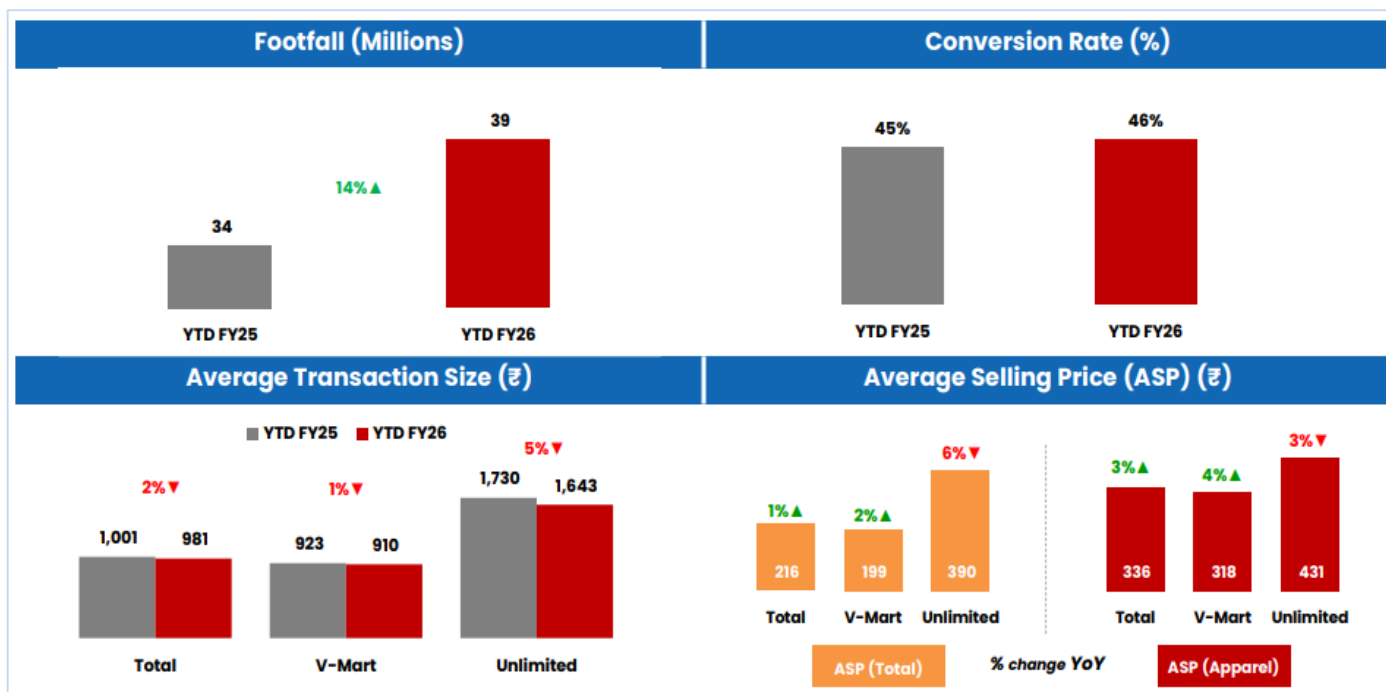
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: Operational expenses for 2QFY26



Source: Company, Nirmal Bang Institutional Equities Research

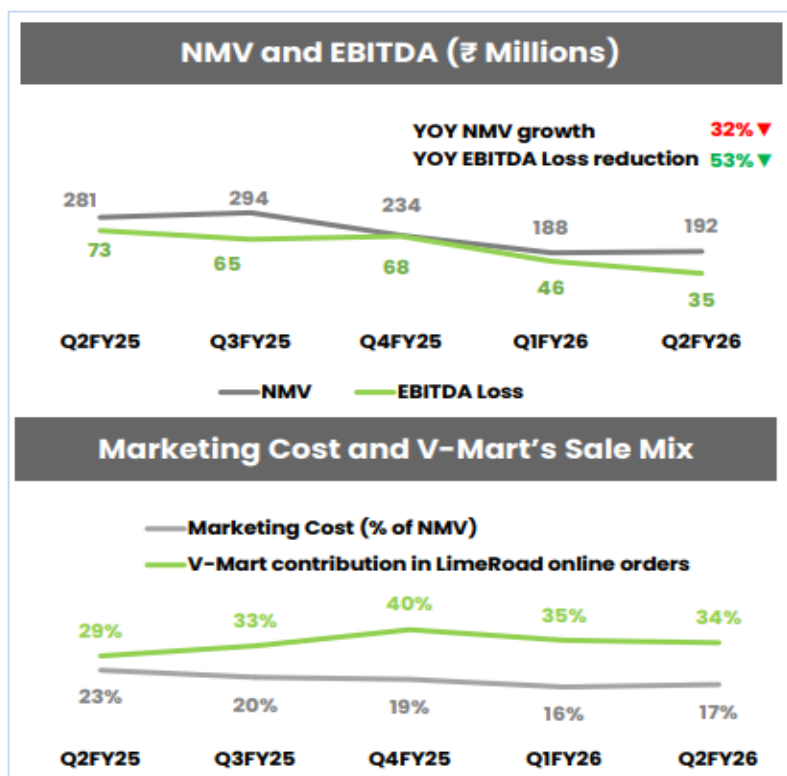
Exhibit 8: Operational parameters for 2QFY26



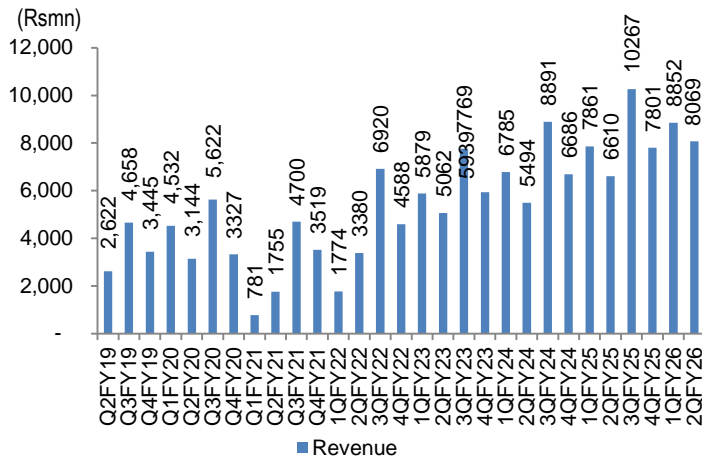
Source: Company, Nirmal Bang Institutional Equities Research



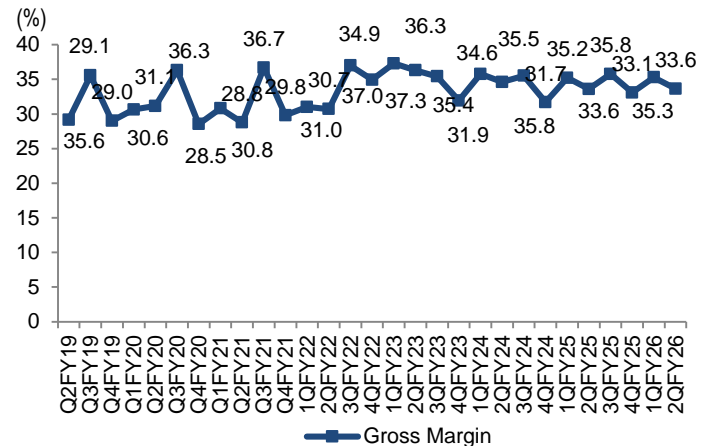
**Exhibit 9: Limeroad financial parameters**



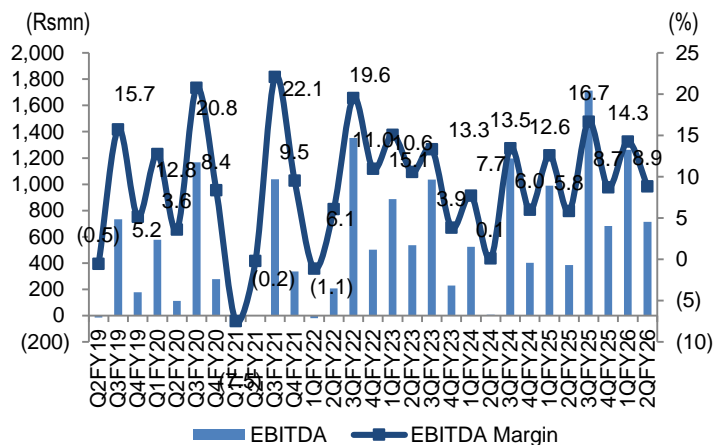
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 10: Quarterly revenue trend**


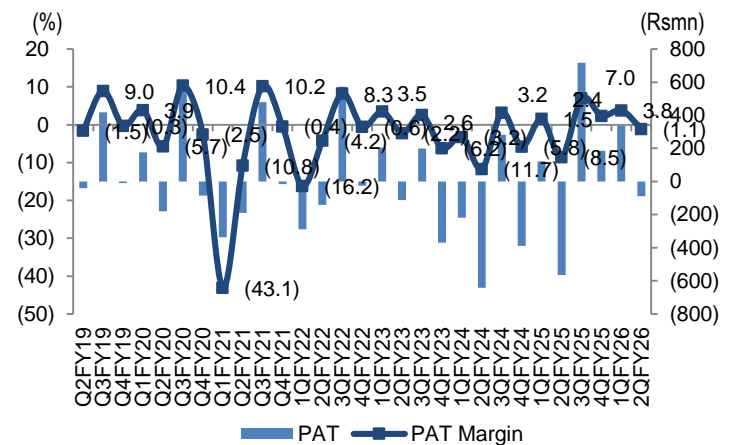
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 11: Quarterly gross margin**


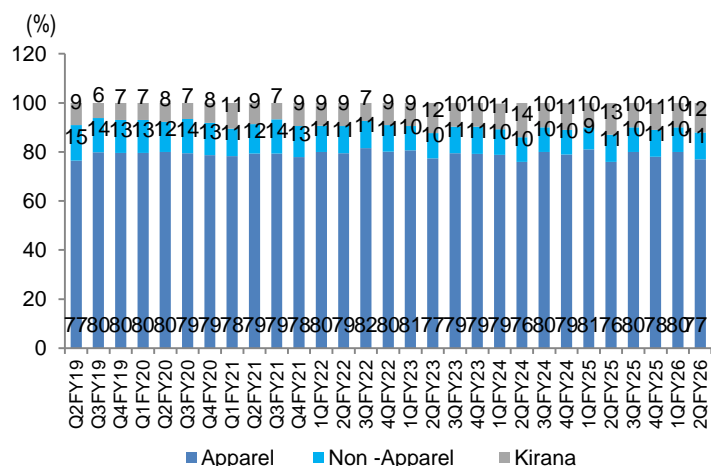
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 12: Quarterly EBITDA and margin**


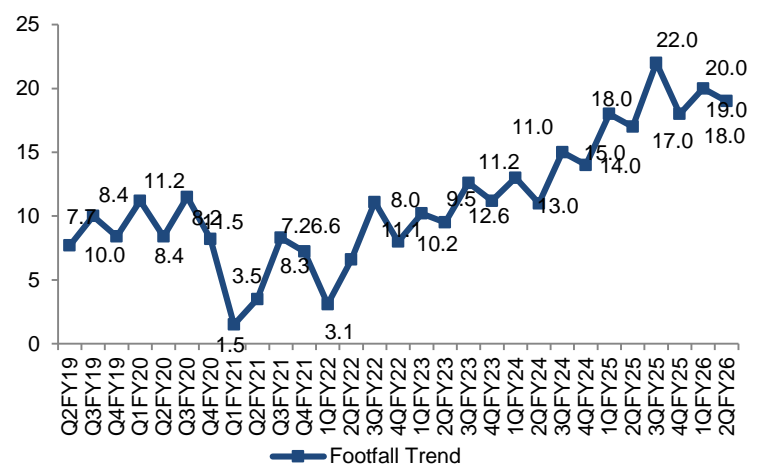
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 13: Quarterly PAT and margin**


Source: Company, Nirmal Bang Institutional Equities Research

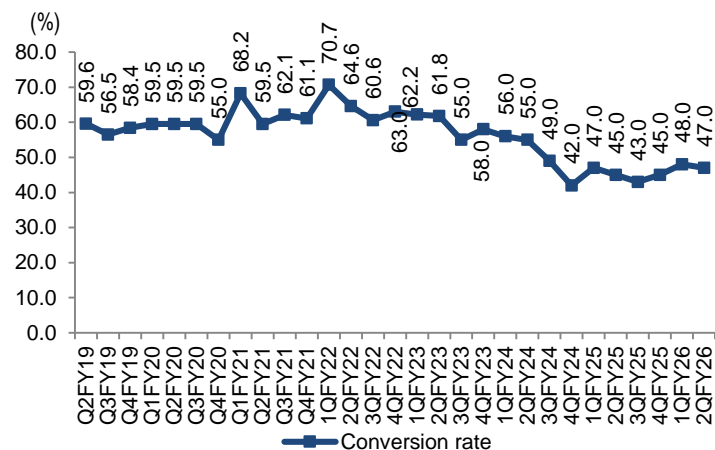
**Exhibit 14: Revenue mix**


Source: Company, Nirmal Bang Institutional Equities Research

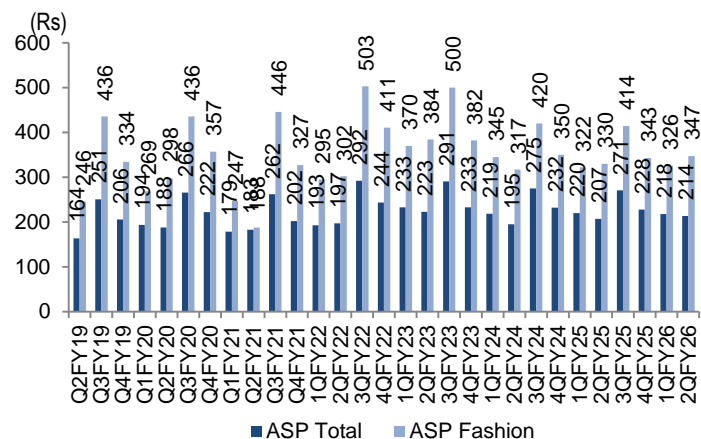
**Exhibit 15: Footfall trend has strong momentum**


Source: Company, Nirmal Bang Institutional Equities Research



**Exhibit 16: Conversion rate declines 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 18: Income statement

Y/E March (Rsmn)	FY24	FY25	FY26E	FY27E	FY28E
<b>Net Sales</b>	<b>27,856</b>	<b>32,539</b>	<b>38,104</b>	<b>44,619</b>	<b>52,876</b>
Growth (%)	13.0	16.8	17.1	17.1	18.5
Purchases of stock-in-trade	17,705	23,005	25,396	28,908	34,260
Change in inventories	546	(1,708)	(423)	300	300
<b>COGS</b>	<b>18,251</b>	<b>21,297</b>	<b>24,974</b>	<b>29,208</b>	<b>34,560</b>
<b>Gross Profit</b>	<b>9,605</b>	<b>11,241</b>	<b>13,131</b>	<b>15,411</b>	<b>18,317</b>
<b>Gross Margin (%)</b>	<b>34.5</b>	<b>34.5</b>	<b>34.5</b>	<b>34.5</b>	<b>34.6</b>
Employee expenses	2,871	3,634	4,143	4,764	5,479
% of sales	10.3	11.2	10.9	10.7	10.4
Other expenses	4,604	3,837	4,058	4,633	5,284
% of sales	16.5	11.8	10.7	10.4	10.0
Total expenditure	25,725	28,768	33,175	38,605	45,322
<b>EBITDA</b>	<b>2,131</b>	<b>3,771</b>	<b>4,930</b>	<b>6,014</b>	<b>7,554</b>
Growth (%)	(20.8)	77.0	30.7	22.0	25.6
<b>EBITDA Margin (%)</b>	<b>7.6</b>	<b>11.6</b>	<b>12.9</b>	<b>13.5</b>	<b>14.3</b>
Depreciation	2221	2330	2906	3426	4495
<b>EBIT</b>	<b>-91</b>	<b>1441</b>	<b>2024</b>	<b>2588</b>	<b>3059</b>
Other income	210	121	128	95	59
Interest costs	1424	1365	759	862	1090
Exceptional Items	0	242	0	0	0
<b>PBT</b>	<b>(1,305)</b>	<b>440</b>	<b>1,392</b>	<b>1,821</b>	<b>2,028</b>
Tax	(337)	(18)	288	401	487
Effective tax rate (%)	25.9	-4.1	20.7	22.0	24.0
<b>PAT</b>	<b>(968)</b>	<b>458</b>	<b>1104</b>	<b>1420</b>	<b>1541</b>
Growth (%)	NM	NM	LP	28.6	8.5
<b>PAT Margin (%)</b>	<b>(3.5)</b>	<b>1.4</b>	<b>2.9</b>	<b>3.2</b>	<b>2.9</b>
<b>EPS (Rs)</b>	<b>(49.1)</b>	<b>23.2</b>	<b>13.9</b>	<b>17.9</b>	<b>19.4</b>

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 19: Balance sheet

Y/E March (Rsmn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	198	198	794	794	794
Reserves	7,272	7,904	8,521	9,941	11,482
<b>Net worth</b>	<b>7,470</b>	<b>8,102</b>	<b>9,314</b>	<b>10,735</b>	<b>12,276</b>
Long term debt	12,813	6,336	7,221	9,477	11,726
Short term debt	1,100	1,490	1,111	1,311	1,511
<b>Total debt</b>	<b>13,913</b>	<b>7,825</b>	<b>8,332</b>	<b>10,788</b>	<b>13,237</b>
<b>Net debt</b>	<b>13,640</b>	<b>7,431</b>	<b>8,081</b>	<b>9,792</b>	<b>12,370</b>
Other non-current liabilities	126	170	180	180	180
<b>Total Equity &amp; Liabilities</b>	<b>21,508</b>	<b>16,097</b>	<b>17,826</b>	<b>21,703</b>	<b>25,693</b>
Net Block	4,898	5,274	5,520	7,360	9,068
CWIP	38	43	124	124	124
Intangible and others	11,971	5,573	6,292	8,525	10,321
Other non-current assets	1,198	1,214	1,212	1,212	1,212
Investments	47	51	52	52	52
Inventories	8,161	9,868	11,409	11,457	13,810
Cash & Cash Equivalents	272	394	251	996	867
Other current assets	1,868	1,945	2,108	2,278	2,464
Total current assets	10,348	12,258	13,820	14,783	17,194
Trade payables	6,337	7,620	8,215	9,374	11,299
Other current liabilities	608	646	927	927	927
Total current liabilities	6,945	8,266	9,142	10,302	12,227
<b>Total Assets</b>	<b>21,508</b>	<b>16,097</b>	<b>17,826</b>	<b>21,703</b>	<b>25,693</b>

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	1,392	1,821	2,028
(Inc.)/Dec in working capital	1,857	-549	-907	1,134	-423
Cash flow from operations	552	-110	485	2,954	1,605
Other income	-210	-121	-128	-95	-59
Depreciation	2,221	2,330	2,906	3,426	4,495
Tax paid	337	18	-288	-401	-487
<b>Net cash from operations</b>	<b>3,859</b>	<b>3,494</b>	<b>2,976</b>	<b>5,885</b>	<b>5,555</b>
Capital expenditure	-1,376	-799	-810	-743	-748
<b>Net cash after capex</b>	<b>2,483</b>	<b>2,695</b>	<b>2,165</b>	<b>5,142</b>	<b>4,807</b>
Other investing activities	358	220	450	405	405
<b>Cash from financial activities</b>	<b>-2,590</b>	<b>-2,149</b>	<b>-1,660</b>	<b>-1,307</b>	<b>-1,507</b>
Opening cash	181	272	394	251	996
Closing cash	272	394	251	996	867
Change in cash	92	122	-143	745	-129

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 21: Key ratios

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
<b>Per share (Rs)</b>					
EPS	-49.1	23.2	13.9	17.9	19.4
Book value	379	411	117	135	155
<b>Valuation (x)</b>					
P/E	-15.8	33.4	55.7	43.3	39.9
P/sales	2.2	1.9	1.6	1.4	1.2
P/BV	2.0	1.9	6.6	5.7	5.0
EV/EBITDA	28.9	16.3	12.5	10.2	8.1
EV/sales	2.2	1.9	1.6	1.4	1.2
<b>Return ratios (%)</b>					
RoE	-12.1	5.9	12.7	14.2	13.4
Post-Tax RoCE	-0.7	16.5	16.0	18.0	18.0
Post-Tax RoIC	-0.8	17.3	16.7	19.1	19.5
<b>Margins (%)</b>					
Gross margin	34.5	34.5	34.5	34.5	34.6
EBITDA margin	7.6	11.6	12.9	13.5	14.3
EBIT margin	-0.3	4.4	5.3	5.8	5.8
PBT margin	-4.7	1.4	3.7	4.1	3.8
PAT margin	-3.5	1.4	2.9	3.2	2.9
<b>Turnover ratio</b>					
Asset turnover ratio (x)	1.0	1.2	1.5	1.5	1.5
Inventory days (of COGS)	116	125	126	108	111
Payable days (of COGS)	90	97	90	89	91
Cash Conversion Cycle	26	29	35	20	20
<b>Solvency ratios (x)</b>					
Net Debt-equity	0.1	0.1	0.1	0.0	0.1
<b>Growth (%)</b>					
Sales	13.0	16.8	17.1	17.1	18.5
EBITDA	-20.8	77.0	30.7	22.0	25.6
PAT	NM	NM	LP	28.6	8.5

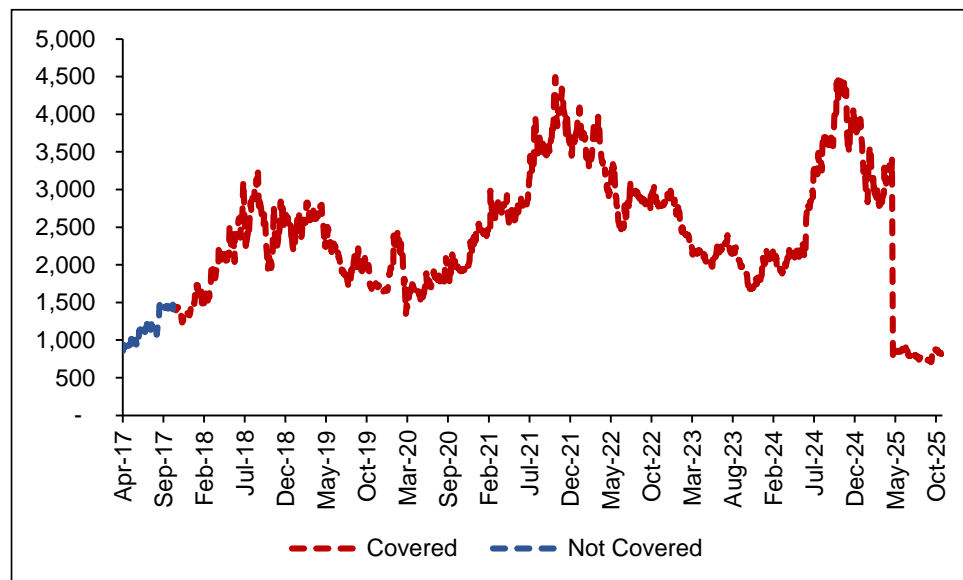
Source: Company, Nirmal Bang Institutional Equities Research

## 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
12 November 2025	Hold	775	869

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

**Rating track graph**



## DISCLOSURES

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BUY > 15%

HOLD -5% to 14%

SELL < -5%

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