

V-Mart Retail Ltd. (VRL)

Retail | 4QFY25 Result Update

BUY
CMP: Rs3,166 | Target Price (TP): Rs3,946 | Upside: 24.6%
May 06, 2025

Revenue growth momentum to sustain in FY26

Key Points

- Revenue for 4QFY25 at Rs7.8bn was 1% higher than our estimates and in line with consensus estimates. It was up 16.7% YoY on the back of both SSSG (+8%) and SSVG growth (+8%). The retail area of 4.3msf increased 11.4% YoY. This marks the 6th consecutive quarter of sustained revenue growth, reflecting the continued impact of the systematic changes introduced in product differentiation, particularly in terms of assortment, design, quality and replenishment.
- Gross margin at 33.1% was 210bps higher than our estimates on account of lower raw material cost. For FY25, gross margin at 34.5% was flat YoY. It expects gross margin to largely remain rangebound without any expansion. EBITDA margin at 8.7% was 160bps higher than our expectations and 10bps below consensus estimates. The beat is on account of higher gross margin. YoY gross margin expansion of 140bps is because of higher sales of full price new merchandise from the early summer launch, lower inventory provisioning, and smaller winter window, which led to lower discounted sales in the year. The gross margin expansion was despite the 47% lower revenue contribution from LR, which flows 100% into gross margins.
- Footfalls of 18mn were higher ~28.5% on YoY basis. These were the 2nd highest recorded footfalls in the history of VRL and conversion at 45% has improved by 200bps on YoY basis. It expects conversion to remain stable or slightly higher going forward, but does not see any significant reductions from here. For FY25, footfalls at 73mn were higher 32.7% on YoY basis (vs 55mn in FY24). This confirms the narrative that the rural and semi-urban population seems to have recovered from the pandemic as well as inflation impact and is consuming again.

Store expansions and capex: For FY25, the company opened 62 stores (52 VRL and 10 UL) and closed 9 stores (VRL 5 and UL 4) for a net addition of 53 stores. Total stores are 497 and 85 of them are UL stores. It expects to add ~12% net retail area each year and will get more aggressive if there are good properties and expected rental profiles. There could be 1-2% store closures. It has already opened 6 stores in April taking the total stores to 503.

Valuation and outlook: Post 4QFY25, we have marginally increased our Revenue and EBITDA estimates for FY26/FY27 by 0.8%/1.7% and 0.5%/1.2% on the back of strong revenue momentum, footfalls, and store expansion plans along with improved share of organized retail, which will mainly help value retailers. Risks include strong competitive intensity, higher inventory build-up, VRL's stance to compromise on margins in order to retain the customer base, and geopolitical uncertainty. It is also confident that ASPs will remain stable with no increases or price reductions. We believe that pre-pandemic EBITDA margins will take much longer to achieve as LR losses will continue to marginally impact EBITDA along with ESOP costs. We are valuing VRL at EV/EBITDA multiple of 15x (10-year average mean – 0.75SD) on Mar-27E EPS for a lower TP of Rs3,946 (vs earlier Rs4,288); we re-iterate our 'BUY' rating on the stock.

Est Change	Upward
TP Change	Downward
Rating Change	No change

Company Data and Valuation Summary

Reuters	VMAR.BO
Bloomberg	VMART IN Equity
Mkt Cap (Rsbn/US\$mn)	67.3 / 785.8
52 Wk H / L (Rs)	4,520 / 2,054
ADTV-3M (mn) (Rs/US\$)	155.3 / 1.8
Stock performance (%) 1M/6M/1yr	3.2 / (19.0) / 55.6
Nifty 50 performance(%) 1M/6M/1yr	2.9 / 5.1 / 8.3

Shareholding	2QFY25	3QFY25	4QFY25
Promoters	44.3	44.3	44.3
DII's	32.8	32.5	32.9
FII's	16.0	17.3	17.5
Others	6.9	5.9	5.3
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Particulars (Rsmn)	FY24	FY25	FY26E	FY27E
Revenues	27,856	32,539	38,853	44,478
YoY (%)	13.0	16.8	19.4	14.5
Gross Margin	34.5	34.5	34.1	34.5
EBITDA	2,131	3,771	4,849	5,761
EBITDA Margin (%)	7.6	11.6	12.5	13.0
Reported PAT	-968	458	1,740	2,126
PAT Margin	-3.5	1.4	4.5	4.8
YoY (%)	NA	NA	381	122
EPS (Rs)	-49.1	23.2	88.3	107.9
RoE (%)	-12.1	5.9	19.4	19.5
Post Tax RoCE (%)	-0.7	16.5	20.8	20.8
Post Tax RoIC (%)	-0.8	17.3	22.7	23.8
P/E (x)	-64.5	136.3	35.9	29.4
EV/EBITDA (x)	29.4	16.6	12.9	10.9

Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research

Key Links-

 Last results note: [3QFY25 result note](#)

Please refer to the disclaimer towards the end of the document

Exhibit 1: Quarterly performance

Particulars (Rs mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	FY24	FY25	4QFY25	Deviation
Net Sales	6785	5494	8891	6686	7861	6610	10267	7801	27856	32539	7707	1.2%
YoY Change (%)	15.4	8.5	14.4	12.6	15.9	20.3	15.5	16.7	13.0	16.8	15.3	-
Gross Profit	2427	1902	3157	2119	2767	2221	3672	2582	9605	11241	2389	8.1%
Margin (%)	35.8	34.6	35.5	31.7	35.2	33.6	35.8	33.1	34.5	34.5	31.0	-
EBITDA	525	7	1197	402	990	386	1714	681	2131	3771	547	24.7%
YoY Change (%)	-40.9	-98.7	15.4	75.5	88.7	5664.2	43.2	69.4	-20.8	77.0	35.9	-
Margin (%)	7.7	0.1	13.5	6.0	12.6	5.8	16.7	8.7	7.6	11.6	7.1	-
Depreciation	499	532	583	607	568	592	626	544	2221	2330	649	-16.3%
Interest	330	359	376	359	375	391	424	174	1424	1365	412	-57.8%
Other Income	15	20	130	44	46	18	34	23	210	121	34	-31.3%
PBT	-290	-864	369	-520	93	-580	697	229	-1305	440	-481	NA
Tax	-70	-223	87	-131	-28	-15	-19	44	-337	-18	-144	NA
ETR (%)	24.2	25.8	23.5	25.1	-30.3	2.6	-2.7	19.1	25.9	-4.1	30.0	-
Reported PAT	-219	-641	282	-389	121	-565	716	185	-968	458	-337	-NA
Adj. PAT	-219	-641	282	-389	121	-565	716	185	-968	458	-337	NA
YoY Change (%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-
Adj. EPS (Rs)	-11.1	-32.4	14.3	-19.7	6.1	-28.6	36.1	9.3	-49.1	23.2	-17.0	NA

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Change in estimates - VRL

(Rs mn)	New estimates			Old estimates			% Change		
	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Net sales	32,539	38,853	44,478	32,445	38,541	43,717	0.3	0.8	1.7
EBITDA	3,771	4,849	5,761	3,993	4,825	5,691	(5.6)	0.5	1.2
EBITDA (%)	11.6	12.5	13.0	12.3	12.5	13.0	-70bps	0bps	-10bps
PAT	458	1740	2126	186	763	1362	146.7	128.1	56.1
EPS (Rs)	23.2	88.3	107.9	9.4	38.7	69.1	146.7	128.1	56.1

Source: Nirmal Bang Institutional Equities Research

Exhibit 3: Assumptions

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenue (Rs mn)	12,224	14,337	16,620	10,755	16,662	24,648	27,856	32,539	38,853	44,478
Retail Area (msf; YE)	1.44	1.79	2.21	2.30	3.30	3.70	3.86	4.30	4.75	5.13
Average Retail area (msf)	1.32	1.62	2.00	2.26	2.80	3.50	3.78	4.08	4.53	4.94
Revenue Per sqft per year (Rs)	9,296	8,878	8,310	4,769	5,951	7,042	7,369	7,975	8,585	8,999
Number of Stores (YE)	171	214	266	279	380	423	444	497	547	597
YoY growth in stores	21%	25%	24%	5%	36%	11%	5%	12%	10%	9%
Net stores added	30	43	52	13	101	43	21	53	50	50

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Analysis of key parameters

Y/E Mar	4QFY20	4QFY23	4QFY24	3QFY25	4QFY25	YoY %	QoQ %	FY24	FY25	YoY %	Change vs 4QFY20 (%)
No of stores	266	423	444	488	497	11.9	1.8	444	497	11.9	86.8
Retail space (msf)	2.20	3.70	3.86	4.20	4.30	11.4	2.4	3.9	4.3	11.4	95.5
Sales per sqft (Rs/month)	619	535	567	835	612	7.9	(26.7)	641	710	10.8	-1.2
Average selling price (total)	222	233	232	271	228	(1.7)	(15.9)	230	232	1.1	2.7
Transaction size (Rs)	790	1100	1065	1058	1045	(1.9)	(1.2)	1065	1045	-1.9	32.3
Footfall (mn)	8.2	11.2	14.0	22.0	18.0	28.6	(18.2)	55.0	73.0	32.7	119.5
Conversion rate	55.0%	58.0%	42.0%	43.0%	45.0%	-	-	49.0%	44.0%	-	-
Shrinkage (%)	1.80	0.40	1.50	1.40	1.10	-	-	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 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 ~300 currently. VRL caters to the requirements of the 'aspiring class' with added focus on demands of 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-Sept-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 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 4QFY25 results and analyst call

Revenue beats estimates

- FY25 revenue at Rs32.5bn was up 16.8% on YoY basis on the back of both SSSG (+11%) and SSVG (+9%).
- Overall, ASP for Apparel at Rs343 was down 2% YoY. For FY25, ASPs for apparel at Rs354 were down 1%. ASPs declined mainly due to lower winter and higher summer seasonal mix in 4Q. There is no planned correction in ASPs and these are expected to be in a similar range going forward.
- The sales per square feet grew ~8% YoY to Rs612 in 4Q. This is in line with SSSG and SSVG. For FY25, sales per square feet at Rs710 was higher ~11% on YoY basis.
- The company believes that revenue growth can be sustained on the back of a few things. One, is the repeat consumers, as they make up ~70% of total sales. Second, is the addition of newer categories and sub-categories like the jewelry segment, which has seen good traction. It also launched a variable segment which has smart watches and speakers, where promising signs have been seen, though these remain very small parts of the business as of now.

Margins beat estimates

- For FY25, EBITDA margin at 11.6% was higher by 400bps on YoY basis mainly due to lower Limeroad losses (down 55% YoY) and lower other expenses.
- Without the ESOP expense, EBITDA stood at 9.6% for the quarter and 12.1% for the full year. There will be continued ESOP costs in FY26 as well (0.5% of revenues in FY25 and 1% in 4QFY25). It is trying to mitigate the ESOP cost by bringing in automation as well as process building using technology. In FY25, ESOP cost was Rs161mn, of which a few were one-time, but the company expects Rs80-100mn recurring expenses based on actuarial valuations.
- During the quarter, there was a PAT-level beat vs NBIE and consensus estimates. A profit of Rs185mn was delivered vs expectations of loss by both NBIE and the street. This outperformance was on account of a one-time gain of Rs241.8mn. This gain was on the back of a reassessment of the lease term estimates in accordance with IndAS-116. This is a one-time non-cash accounting gain and will result in ~50% lower accounting losses for new stores opened in the first half of the entire lease cycle vs the old accounting practice.
- Total expenses were 130bps lower YoY on the back of operating leverage from the sustained L2L growth, reduction in LR marketing expenditure, and favourable impact on the closure of unprofitable stores.
- The manpower cost was up ~45% YoY in 4Q mainly due to the ESOP cost and sales-related incentives in line with sales growth. The huge jump is also because of a reversal of ESOP-related expense in FY24. Going forward, the manpower cost is now expected to normalise. There are 80 people covered under the ESOP scheme and the parameter to qualify for the performance-linked incentive is 20% YoY growth with a minimum achievement of 90%.
- 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 for LR. This business will not breakeven in FY26 as marginal losses will continue. On a YoY basis for FY25, it has reduced losses by 55% and expects to reduce losses by another 50% in FY26 too.

Demand environment

- During the quarter, there were weather-related disruptions due to early tapering of the winter, leading to soft sales in January and February though festive demand around Holi and early Eid provided good tailwinds for March. This also led to higher-than-anticipated winter inventory which will now be liquidated this winter at lower prices.
- It has seen healthy signs and continued growth in the markets especially in Tier 2 and 3 cities. The US tariff situation and geopolitical issues have confused consumers somewhat, though it does not expect a large impact due to this in smaller towns, which is the core audience of VRL.
- Most value retailers have seen good traction, though branded retailers are seeing subdued numbers, as consumption on this level seems to be slowing down.
- Store openings from the competition have been strong and fast and many stores are opening in areas where VRL is already present. There is also a lot of movement from unorganized to organized retail, and the organized market share is going up, from which all value retailers stand to benefit. This share was at 15% around 5 years back and is now between 30 and 35%.
- Company believes that the youth is currently the key driver of consumption, as earlier it used to see ~20-23% of youth under 25 years of age, and now this number is at 30-33%.
- So far, the monsoon expectations are positive and this will aid farm income with higher employment and better consumption in VRL-dominated areas. It believe sales growth momentum can be continued in FY26 as well.

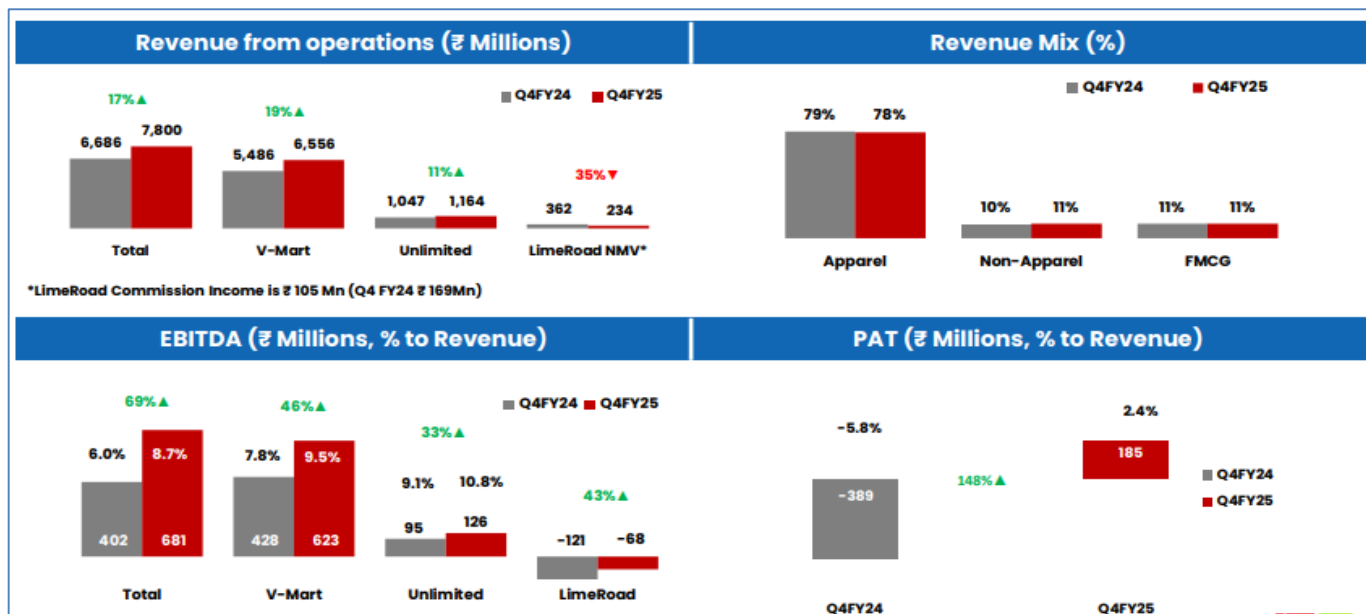
Store expansion, capex, and inventory management

- As of 4QFY25-end, 9 net-new stores were opened (9 VM and 0 UL). All the new stores opened this year, including in South India, have been performing in line with the established VRL business model.
- At the end of 4Q, inventory was Rs9.8bn, which is at 102 days and is higher due to inventory build-up for peak summers, wedding season, and new store launches planned for Q1.
- Capex for FY25 was Rs1.2bn which includes new store openings and upgradation of existing stores. Increase in working capital due to higher inventory led to a negative FCF of Rs310mn for FY25. Future growth will be financed through balance sheet cash and internal accruals only.
- In terms of expansion, VRL will penetrate into existing cities as well as new towns. ~30-35% of new store openings should come from existing cities. There will be higher focus on South India as more opportunities are being seen in this market especially in Tamil Nadu and Kerala. In terms of North India, it will look at Uttarakhand, Gujarat, Madhya Pradesh, and Rajasthan.

Miscellaneous

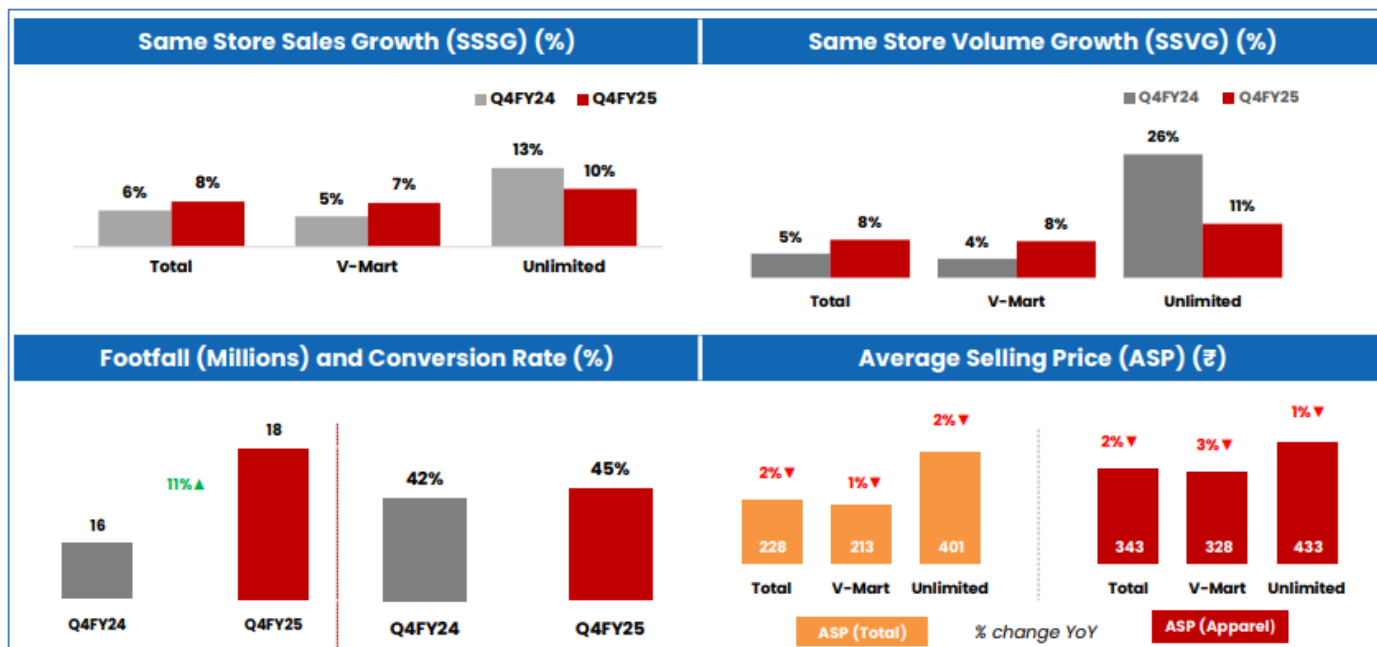
- VRL has a GST accumulation of Rs1bn as of end-FY24 and has added ~Rs200mn in FY25 as well. This has become a challenge for VRL as it is unable to utilise this credit so far. This is the complexity of a growing business amid new store expansions and capex, which are at 18% and 28% GST. Another reason for accumulation is the difference between sales and expenses in the apparel business as sales are at 5% and expenses are at 18% GST. The non-apparel business can help mitigate this to some extent.

Exhibit 5: Financial parameters for 4QFY25



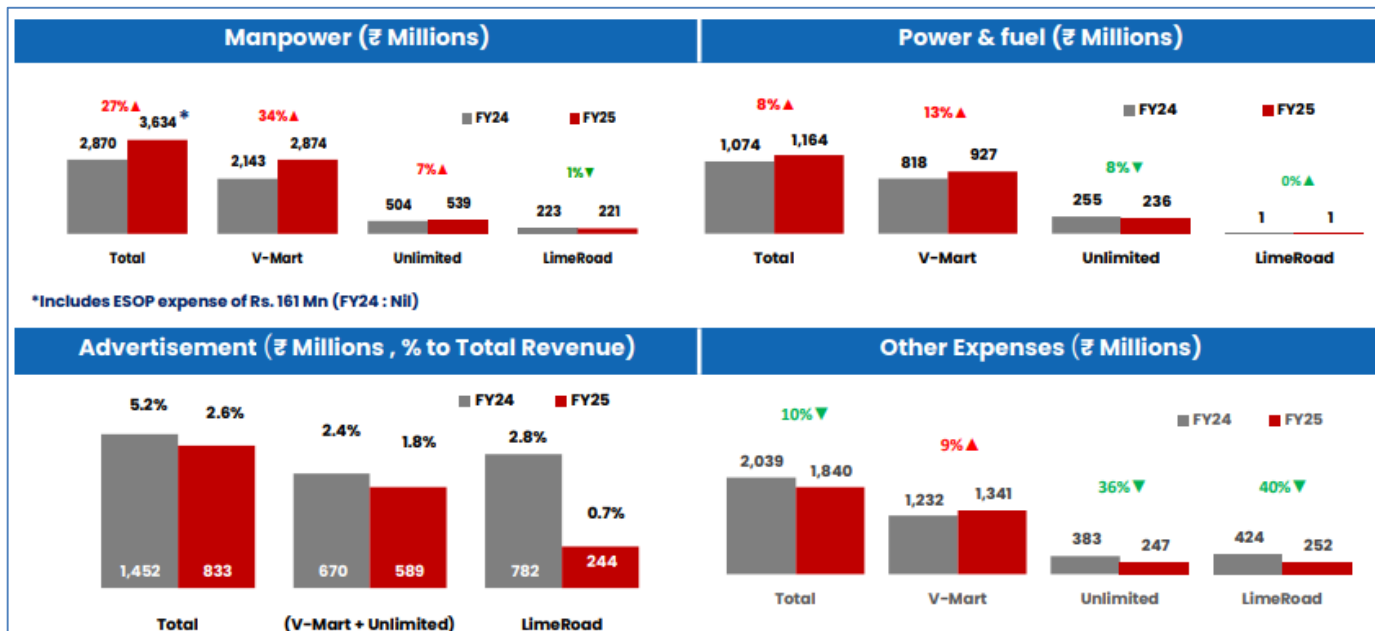
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: Operational parameters for 4QFY25



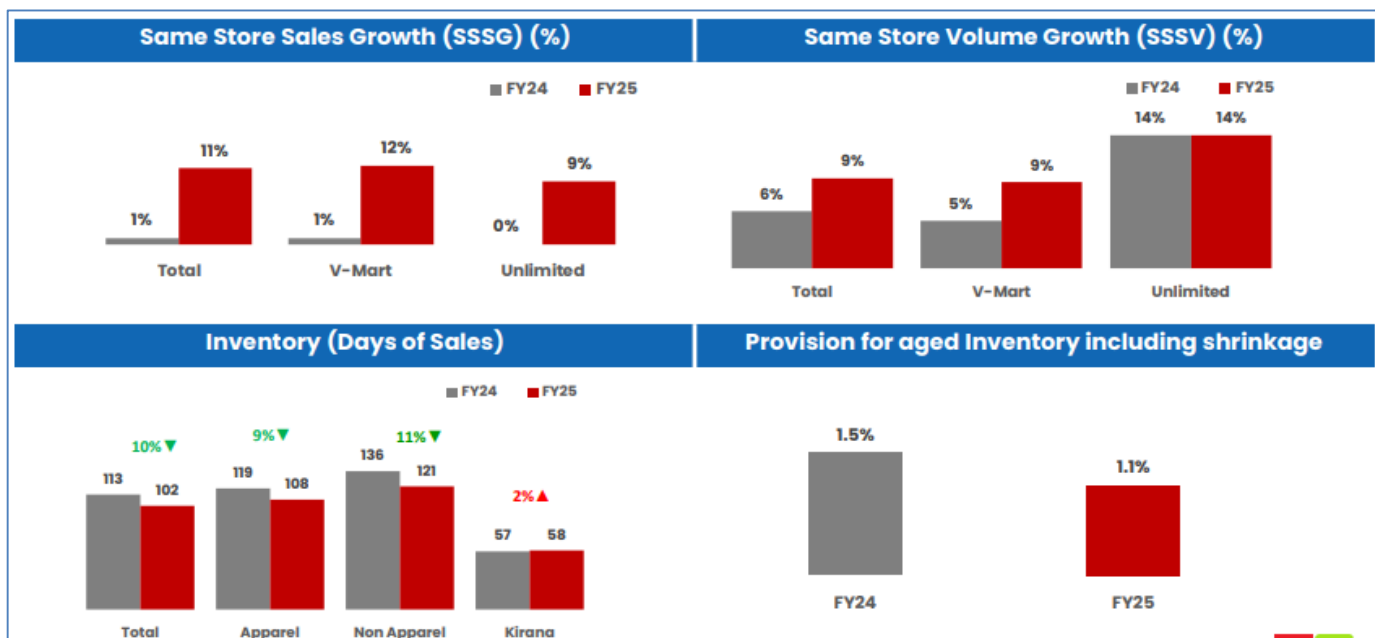
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: Operational expenses for FY25



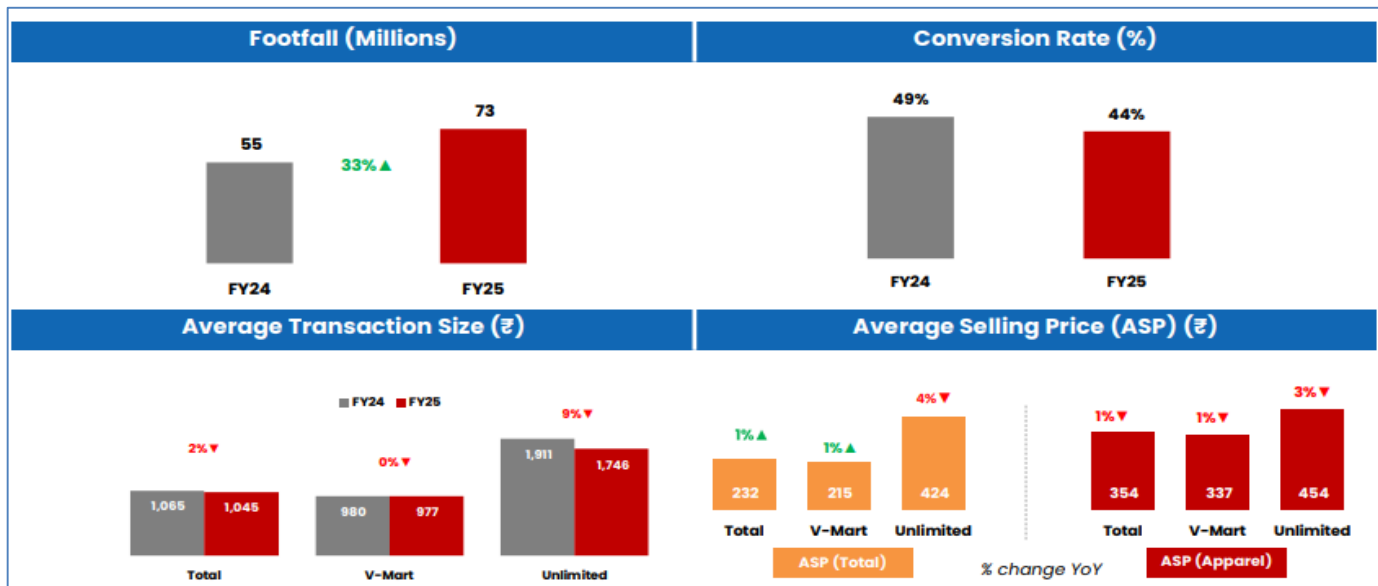
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Operational parameters for FY25



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Operational parameters for FY25

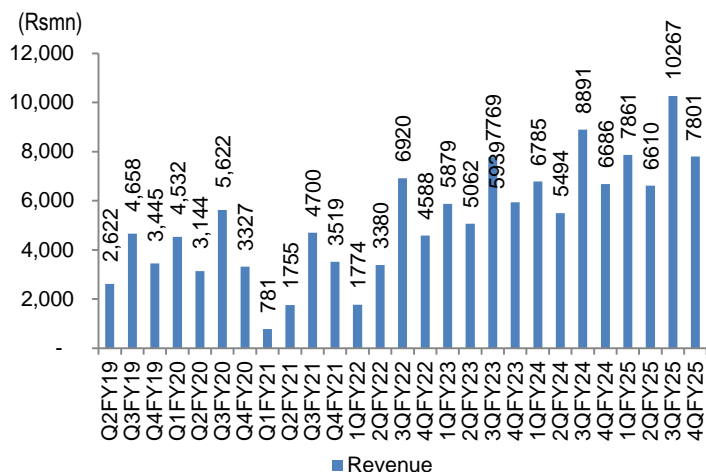


Source: Company, Nirmal Bang Institutional Equities Research

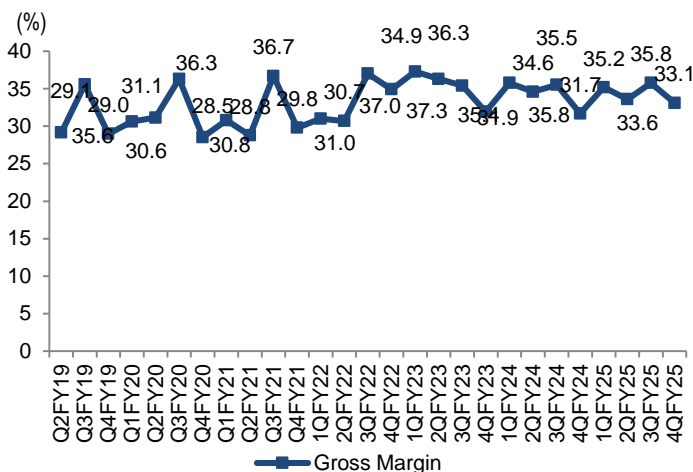
Exhibit 10: Limeroad financial parameters



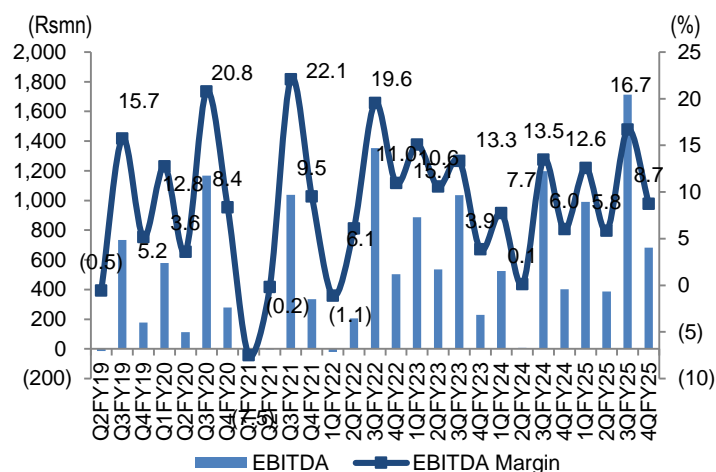
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: Quarterly revenue


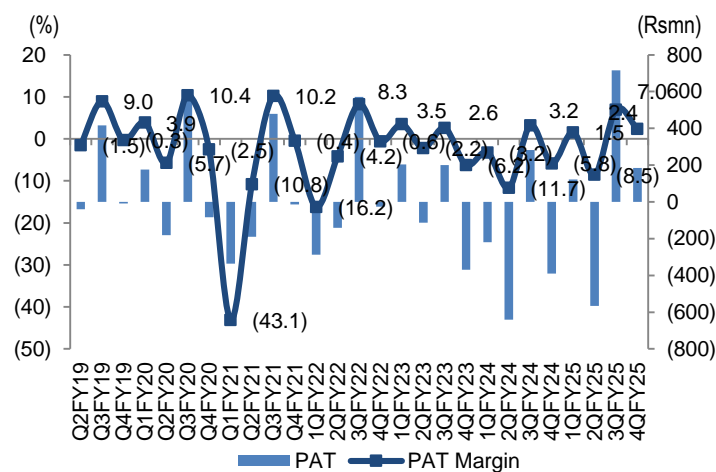
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 12: Quarterly gross margin


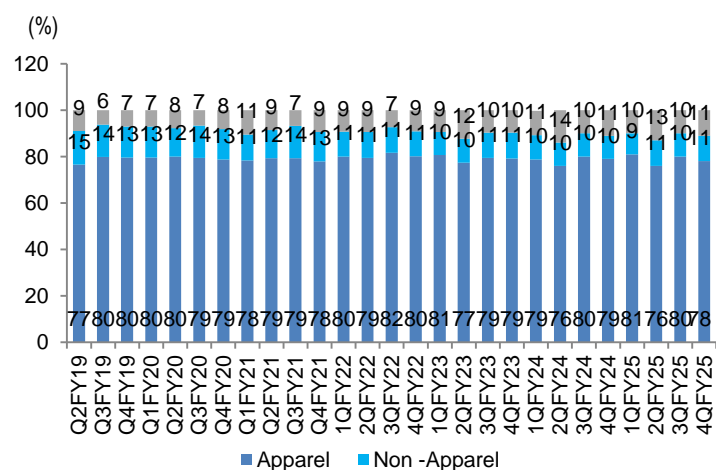
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Quarterly EBITDA & margin


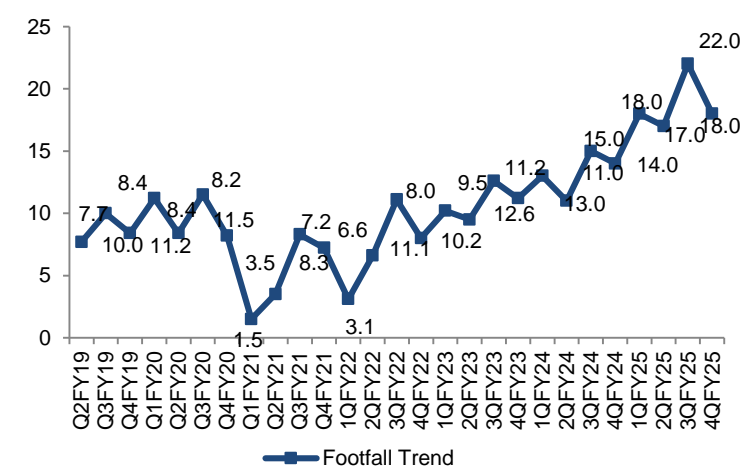
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Quarterly PAT & margin


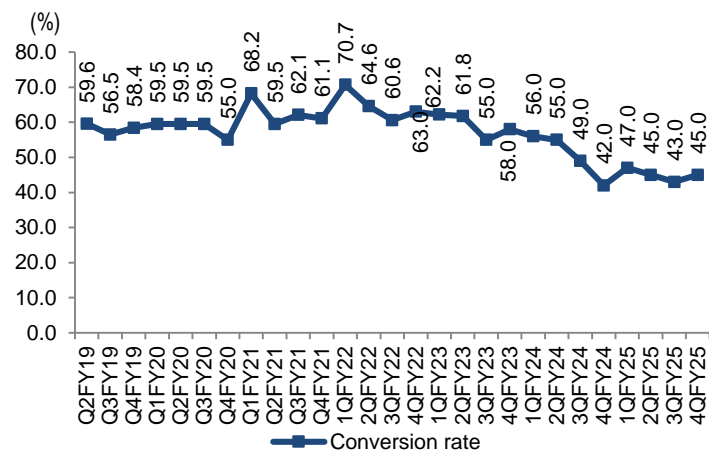
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 15: Revenue Mix


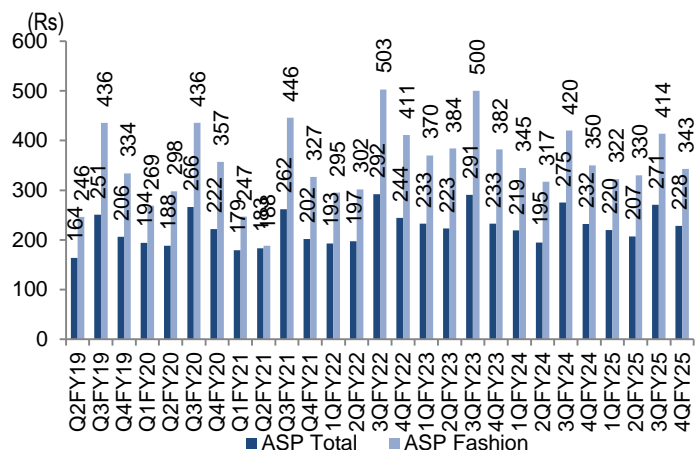
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 16: Footfall trend has strong momentum


Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 17: Conversion rate is low


Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 18: ASP trend is improving


Source: Company, Nirmal Bang Institutional Equities Research

Financials (post-IndAS 116)

Exhibit 19: Income statement

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Net Sales	24,648	27,856	32,539	38,853	44,478
Growth (%)	47.9	13.0	16.8	19.4	14.5
Purchases of stock-in-trade	17,995	17,705	23,005	25,305	28,821
Change in inventories	(2,024)	546	(1,708)	300	300
COGS	15,971	18,251	21,297	25,605	29,121
Gross Profit	8,677	9,605	11,241	13,248	15,357
Gross Margin (%)	35.2	34.5	34.5	34.1	34.5
Employee expenses	2,555	2,871	3,634	4,179	4,806
% of sales	10.4	10.3	11.2	10.8	10.8
Other expenses	3,433	4,604	3,837	4,220	4,790
% of sales	13.9	16.5	11.8	10.9	10.8
Total expenditure	21,959	25,725	28,768	34,004	38,716
EBITDA	2,689	2,131	3,771	4,849	5,761
Growth (%)	31.6	(20.8)	77.0	28.6	18.8
EBITDA Margin (%)	10.9	7.6	11.6	12.5	13.0
Depreciation	1800	2221	2330	1614	1870
EBIT	889	-91	1441	3235	3891
Other income	150	210	121	172	188
Interest costs	1169	1424	1365	849	953
Exceptional Items	0	0	242	0	0
PBT	(130)	(1,305)	440	2,558	3,126
Tax	(52)	(337)	(18)	819	1,000
Effective tax rate (%)	39.7	25.9	-4.1	32.0	32.0
PAT	(78)	(968)	458	1740	2126
Growth (%)	PL	NM	NM	LP	22.2
PAT Margin (%)	(0.3)	(3.5)	1.4	4.5	4.8
EPS (Rs)	(4.0)	(49.1)	23.2	88.3	107.9

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 21: Balance sheet

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Share capital	198	198	198	198	198
Reserves	8,292	7,272	7,904	9,643	11,769
Net worth	8,490	7,470	8,102	9,841	11,967
Long term debt	11,838	12,813	6,336	6,593	8,317
Short term debt	1,478	1,100	1,490	1,690	1,890
Total debt	13,317	13,913	7,825	8,283	10,206
Net debt	13,115	13,640	7,431	7,024	8,367
Other non-current liabilities	125	126	170	170	170
Total Equity & Liabilities	21,932	21,508	16,097	18,294	22,344
Net Block	3,191	4,898	5,274	4,944	6,453
CWIP	1,092	38	43	43	43
Intangible and others	11,585	11,971	5,573	6,139	9,010
Other non-current assets	980	1,198	1,214	1,214	1,214
Investments	85	47	51	51	51
Inventories	8,706	8,161	9,868	11,398	11,608
Cash & Cash Equivalents	202	272	394	1,258	1,839
Other current assets	1,584	1,868	1,945	2,099	2,269
Total current assets	10,577	10,348	12,258	14,806	15,767
Trade payables	4,883	6,337	7,620	8,206	9,498
Other current liabilities	610	608	646	646	646
Total current liabilities	5,493	6,945	8,266	8,852	10,143
Total Assets	21,932	21,508	16,097	18,294	22,344

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 20: Cash flow Statement

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
PBT	-130	-1,305	440	2,558	3,126
(Inc.)/Dec in working capital	-648	1,857	-549	-904	1,104
Cash flow from operations	-778	552	-110	1,655	4,231
Other income	-150	-210	-121	-172	-188
Depreciation	1,800	2,221	2,330	1,614	1,870
Tax paid	52	337	18	-819	-1,000
Net cash from operations	1,808	3,859	3,494	2,278	4,912
Capital expenditure	-2,700	-1,376	-799	-680	-643
Net cash after capex	-892	2,483	2,695	1,598	4,269
Other investing activities	779	358	220	450	450
Cash from financial activities	-374	-2,590	-2,149	-1,660	-1,876
Opening cash	302	181	272	394	1,258
Closing cash	181	272	394	1,258	1,839
Change in cash	-122	92	122	864	580

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 22: Key ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E
Per share (Rs)					
EPS	-4.0	-49.1	23.2	88.3	107.9
Book value	431	379	411	499	607
Valuation (x)					
P/E	-795.0	-64.5	136.3	35.9	29.4
P/sales	2.5	2.2	1.9	1.6	1.4
P/BV	7.4	8.4	7.7	6.3	5.2
EV/EBITDA	23.8	29.4	16.6	12.9	10.9
EV/sales	2.6	2.2	1.9	1.6	1.4
Return ratios (%)					
RoE	-0.9	-12.1	5.9	19.4	19.5
Post Tax RoCE	5.8	-0.7	16.5	20.8	20.8
Post Tax RoIC	6.4	-0.8	17.3	22.7	23.8
Margins (%)					
Gross margin	35.2	34.5	34.5	34.1	34.5
EBITDA margin	10.9	7.6	11.6	12.5	13.0
EBIT margin	3.6	-0.3	4.4	8.3	8.7
PBT margin	-0.5	-4.7	1.4	6.6	7.0
PAT margin	-0.3	-3.5	1.4	4.5	4.8
Turnover ratio					
Asset turnover ratio (x)	1.0	1.0	1.2	1.5	1.5
Inventory days (of COGS)	145	116	125	122	109
Payable days (of COGS)	81	90	97	88	90
Cash Conversion Cycle	64	26	29	34	20
Solvency ratios (x)					
Net Debt-equity	0.2	0.1	0.1	0.0	0.0
Growth (%)					
Sales	47.9	13.0	16.8	19.4	14.5
EBITDA	31.6	-20.8	77.0	28.6	18.8
PAT	PL	NM	NM	LP	22.2

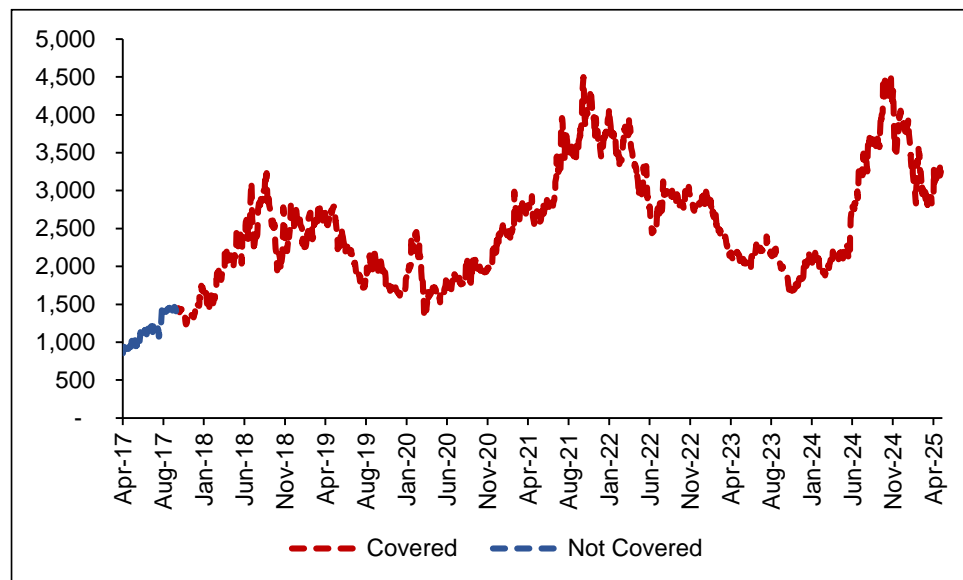
Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price	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

*Announced bonus shares 3:1 on 2nd May, 2025

Rating track graph



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Stock Ratings Absolute Returns

BUY > 15%

HOLD -5% to 14%

SELL < -5%

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