12 August 2026
1QFY27 Results Update | Sector: Retail

# Senco Gold

| | |
|---|---|
| Estimate change | ↔ |
| TP change | ↓ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | SENCO IN |
| Equity Shares (m) | 164 |
| M.Cap.(INRb)/(USDb) | 56.7 / 0.6 |
| 52-Week Range (INR) | 430 / 276 |
| 1, 6, 12 Rel. Per (%) | -6/-2/2 |
| 12M Avg Val (INR M) | 525 |

**Financials & Valuations (INR b)**

| Y/E March (INR b) | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 84.3 | 105.5 | 120.7 |
| Sales Growth (%) | 33.2 | 25.2 | 14.4 |
| EBITDA | 9.8 | 8.0 | 8.9 |
| Margins (%) | 11.6 | 7.6 | 7.4 |
| Adj. PAT | 5.8 | 3.8 | 4.2 |
| Adj. EPS (INR) | 35.3 | 23.3 | 25.5 |
| EPS Growth (%) | 185.8 | -34.1 | 9.4 |
| BV/Sh.(INR) | 153.5 | 174.4 | 197.0 |
| **Ratios** | | | |
| Debt/Equity | 0.7 | 1.2 | 1.1 |
| RoE (%) | 25.8 | 14.2 | 13.7 |
| RoIC (%) | 18.2 | 10.3 | 9.5 |
| **Valuations** | | | |
| P/E (x) | 9.8 | 14.9 | 13.6 |
| EV/EBITDA(x) | 4.0 | 5.4 | 4.8 |

**Shareholding Pattern (%)**

| As On | Jun-26 | Mar-26 | Jun-25 |
|---|---|---|---|
| Promoter | 64.5 | 64.5 | 64.4 |
| DII | 13.5 | 12.6 | 12.8 |
| FII | 6.9 | 7.6 | 6.8 |
| Others | 15.1 | 15.3 | 16.1 |

FII includes depository receipts

**CMP: INR346 TP: INR385 (+11%) Neutral**

## Weak print; margin volatility continues

- Senco Gold (SENCO) delivered strong consolidated revenue growth of 67% YoY to INR31b (est. INR29b) in 1QFY27, ahead of peers. SSSG stood at 39%, aided by festive and wedding demand and a higher contribution from lightweight jewelry. Despite a ~61% YoY increase in gold prices, gold jewelry volumes remained broadly stable, highlighting resilient underlying demand. Senco recorded ~25% YoY growth in July-August and guides for ~20% revenue growth in FY27.
- The company opened eight stores during the quarter, taking the total store count to 209 (105 COCO, 89 FOCO, 13 Sennes and 2 Dubai). It plans to add another 12-15 stores during the remainder of FY27, with increasing focus on franchise-led expansion and Tier-2/3 cities.
- Despite strong revenue performance, there was a miss in margins. GM (adj. for inventory gains) contracted sharply by 240bp YoY to 15.7% (est. 16%; 22.4% in 4QFY26), impacted by gold price volatility, discounting and higher contribution from the old-gold exchange scheme. The company maintained ~50% hedging during the quarter, while customs duty-related inventory gain stood at ~INR120-150m. Adj. EBITDA margin declined 250bp YoY to 6.5% (est. 8.7%), also impacted by high operating expenses. Management maintained its 7.5-7.8% EBITDA margin guidance. They expect margin recovery going ahead as inventory gains accrue and high other expenses normalize. We model 7.5% EBITDA margin for FY27/28.
- Given the inconsistencies in operating performance and low hedging ratios, we remain cautious on SENCO's operating margin performance going ahead. **Reiterate Neutral rating with a TP of INR385 (15x Sep'28E EPS).**

## Strong revenue performance; miss in margin

- **Robust sales growth:** Senco reported strong consolidated revenue growth of 67% YoY to INR31b (est. INR29b), backed by a favorable festive calendar, including Akshaya Tritiya, Poila Boishakh and Baisakhi, as well as the summer wedding season. SSSG stood at 39% vs. 33% for TTAN, 28% for Kalyan and 46% for PN Gadgil. Titan (Jewelry standalone, ex-bullion), Kalyan, and P N Gadgil (retail) delivered revenue growth of 38%, 47%, and 54%, respectively, in 1Q. Despite ~61% YoY increase in average gold prices, gold jewellery volumes remained broadly stable, reflecting resilient demand and a favourable product mix toward lightweight, fancy and daily-wear jewellery. Retail sales grew 50% YoY, while diamond jewellery sales increased 43% YoY.
- **Margin pressure amid gold price volatility and discounting:** Consolidated gross margin (adj. for inventory gains) contracted sharply by 240bp YoY to 15.7% (vs. est. 16%; 22.4% in 4QFY26), impacted by gold price volatility, discounting and higher contribution from the old-gold exchange scheme. SENCO maintained a ~50% hedging ratio in 1Q, while the customs duty-related inventory gain was ~INR120-150m. Employee expenses rose 22% YoY, while other expenses increased 86% YoY to INR2.3b, driven by marketing, store renovations and customer offers. Adj. EBITDA margin

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contracted 250bp YoY and 730bp QoQ to 6.5% (est. 8.7%), reflecting gross margin pressure and high opex.

- **Miss in profitability:** Adj. EBITDA grew 21% YoY to INR2b (est. INR2.5b), while PAT declined 3% YoY to INR1b (est. INR1.4b) and APAT grew 2% YoY.

## Key takeaways from the management commentary

- Gold jewelry volumes remained broadly stable despite price rise and customs duty impact.
- Inventory gain from customs duty hike is expected to be INR120-150m in 1Q (for 45 days).
- The company maintained a hedging ratio of around 50% to manage gold price volatility, liquidity risks and margin-related uncertainties during the quarter. The management expects to sustain this ratio in the near term.
- Due to gold price volatility and GML unavailability, Senco's blended borrowing cost was high.
- The company guided for ~20% revenue growth in FY27 and maintained EBITDA margin guidance of 7.5-7.8% and PAT margin guidance of 4-4.5%.

## Valuation and view

- We maintain our EPS estimates for FY27 and FY28.
- SENCO's gross margins have historically been volatile, reflecting the company's low level of hedging and resultant inventory gains. Management aims to sustain 7.5-7.8% EBITDA margin; however, we model 7.5% for FY27/28 (close to average of FY23-25).
- We model revenue/EBITDA CAGR of +20%/-4% over FY26-28. **We reiterate our Neutral rating with a TP of INR385 (15x Sep'28E EPS).**

**Consolidated Quarterly Performance** (INR m)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | | 1QE | (%) |
| **Stores** | **186** | **192** | **196** | **201** | **209** | **214** | **219** | **221** | **201** | **221** | **208** | |
| **Net Sales** | **18,263** | **15,361** | **30,710** | **19,967** | **30,560** | **19,969** | **33,781** | **21,200** | **84,300** | **1,05,511** | **28,855** | **5.9** |
| Change (%) | 30.1 | 2.4 | 50.1 | 44.9 | 67.3 | 30.0 | 10.0 | 6.2 | 33.2 | 25.2 | 58.0 | |
| **Gross Profit** | **3,289** | **2,616** | **6,107** | **4,468** | **4,783** | **2,995** | **5,067** | **3,800** | **16,680** | **16,646** | **4,617** | **3.6** |
| Gross Margin (%) | 18.0 | 17.0 | 19.9 | 22.4 | 15.7 | 15.0 | 15.0 | 17.9 | 19.8 | 15.8 | 16.0 | |
| Operating Expenses | 1,653 | 1,551 | 1,999 | 1,724 | 2,802 | 1,717 | 2,534 | 1,599 | 6,928 | 8,652 | 2,106 | |
| % of Sales | 9.1 | 10.1 | 6.5 | 8.6 | 9.2 | 8.6 | 7.5 | 7.5 | 8.2 | 8.2 | 7.3 | |
| **EBITDA** | **1,636** | **1,065** | **4,108** | **2,744** | **1,981** | **1,278** | **2,534** | **2,201** | **9,752** | **7,994** | **2,510** | **(21.1)** |
| Margin (%) | 9.0 | 6.9 | 13.4 | 13.7 | 6.5 | 6.4 | 7.5 | 10.4 | 11.6 | 7.6 | 8.7 | |
| Change (%) | 50.4 | 30.3 | 281.8 | 116.0 | 21.1 | 20.0 | -38.3 | -19.8 | 129.4 | -18.0 | 36.7 | |
| Interest | 430 | 462 | 590 | 561 | 679 | 650 | 675 | 669 | 2,042 | 2,674 | 550 | |
| Depreciation | 187 | 190 | 211 | 232 | 215 | 235 | 250 | 248 | 820 | 949 | 235 | |
| Other Income | 186 | 178 | 301 | 134 | 153 | 180 | 180 | 206 | 799 | 719 | 190 | |
| **PBT** | **1,206** | **591** | **3,608** | **2,085** | **1,239** | **573** | **1,789** | **1,489** | **7,689** | **5,090** | **1,915** | **(35.3)** |
| Tax | 359 | 103 | 922 | 516 | 378 | 143 | 447 | 309 | 1,900 | 1,278 | 479 | |
| Effective Tax Rate (%) | 29.8 | 17.4 | 25.5 | 24.7 | 30.5 | 25.0 | 25.0 | 20.8 | 24.7 | 25.1 | 25.0 | |
| **Adjusted PAT** | **847** | **488** | **2,687** | **1,569** | **861** | **430** | **1,341** | **1,180** | **5,790** | **3,813** | **1,437** | **(40.0)** |
| Change (%) | 65.1 | 41.4 | 395.7 | 151.3 | 1.8 | -11.9 | -50.1 | -24.8 | 186.0 | -34.1 | 37.3 | |
| **PAT** | **1,047** | **488** | **2,640** | **1,569** | **1,011** | **430** | **1,341** | **1,180** | **5,743** | **3,963** | **1,437** | |

E: MOFSL Estimates

CONFERENCE CALL

## Key takeaways from the management commentary

**Operational performance**

- Despite Adhik Maas and a ~61% YoY jump in average gold prices, demand was supported by festivals (Akshaya Tritiya, Poila Boishakh, Baisakhi, Bihu) and the summer wedding season as well as a larger range in lower-cartage and lower-weight category and fresh design launches.
- SSSG remained strong at ~39%.
- Management expects 2Q to be seasonally lower in sales but notes July and August are showing 25% YoY growth amid improved consumer sentiment.
- Customer preference continued toward lightweight, fancy, daily wear, gifting and design-led jewelry.
- **Gold jewelry volumes remained broadly stable despite price rise and customs duty impact.**
- Studded jewellery ratio stood at 11% for 1QFY27.
- Diamond jewelry sales grew by 43% YoY and 18% in volume terms, supported by wider demand in sub-50k range in Everlite collection.
- Retail sales grew by 50% YoY, with broad-based growth across all channels.
- **Inventory gain from customs duty hike is expected to be INR120-150m in 1Q (for 45 days).**
- The '0% deduction' old-gold exchange campaign led to old gold exchange contributing 43% of total sales. This partly impacted the gross margin.
- **The company maintained a hedging ratio of around 50% to manage gold price volatility, liquidity risks and margin-related uncertainties during the quarter. Management expects to sustain this ratio in the near term.**
- The company continued to expand its 9K and 14K jewellery portfolio, targeting younger and value-conscious consumers in 1Q.
- Senco is the first in the industry to have launched titanium jewelry with pricing range of INR20k-100k.
- SFL is still in the growth phase and incurred losses, while Dubai entity (SGJTL) incurred losses due to an extraordinary market situation amid geopolitical uncertainty and war. SGAPL reported profit.

**Store expansion**

- During 1Q, Senco launched net eight showrooms in West Bengal, Bihar, Odisha, and Uttar Pradesh.
- Senco expanded its showroom network to 209 stores (from 201 stores in 4QFY26), comprising 105 company-owned stores, 89 franchise stores, 13 Sennes stores and 2 Dubai stores.
- The company remains on track to open another 12-15 showrooms during the remainder of FY27, with an increasing focus on franchise-led expansion, Tier-2 and Tier-3 cities, and strengthening presence in both East and non-East markets in a balanced manner.

**Margins and profitability**

- 1Q margin contraction of ~300bp was due to discounting and gold price fall (partly offset by customs duty increase), while product mix continued to improve.
- Due to gold price volatility and GML unavailability, Senco's blended borrowing cost was high.
- Other expenses significantly increased to INR2.3b in 1QFY27 from a typical INR 1.2b, due to marketing, store renovations, and customer offers, but this higher run rate is not expected to continue in subsequent quarters.

**Sennes**

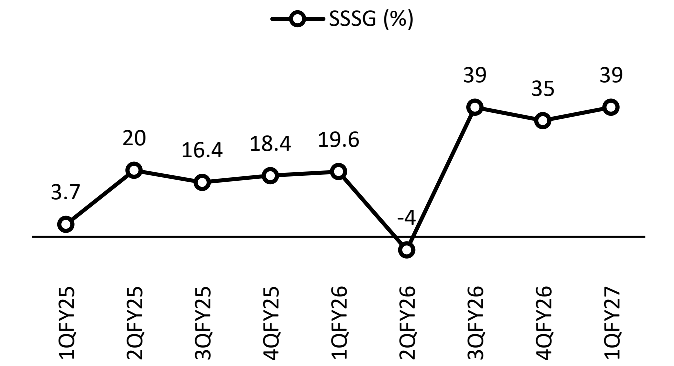
- The brand focuses on lab-grown diamonds, fashion jewellery and lifestyle products.
- The company currently operates around 13 Sennes stores and is gradually building consumer awareness around lab-grown diamonds. Apart from jewellery, the brand also offers perfumes, leather bags and fashion accessories.

**Guidance**

- The company guided for ~20% revenue growth in FY27 while maintaining EBITDA margin guidance of 7.5-7.8%.
- PAT margin guidance was maintained at 4-4.5%.
- Senco plans to add ~18-20 stores during FY27 with higher focus on franchise-led expansion, lightweight jewelry, inventory optimization and cost-control initiatives.

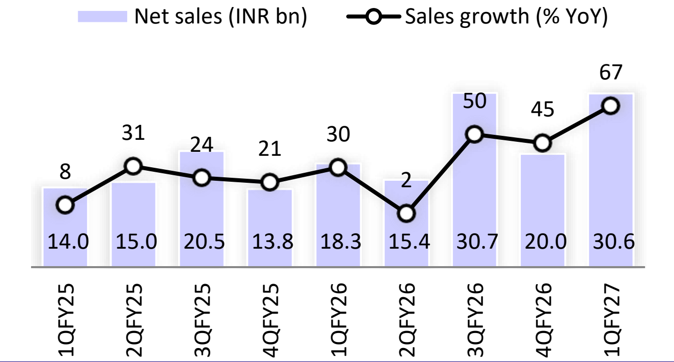
## Key exhibits

**Exhibit 1: SSSG up 39% in 1QFY27**



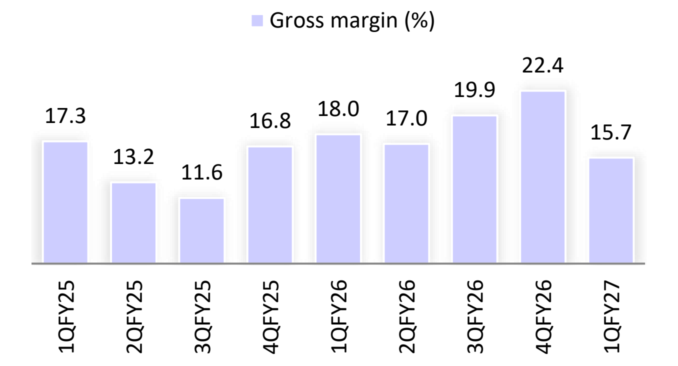

Source: Company, MOFSL

**Exhibit 2: Consol. sales grew 67% YoY in 1QFY27**



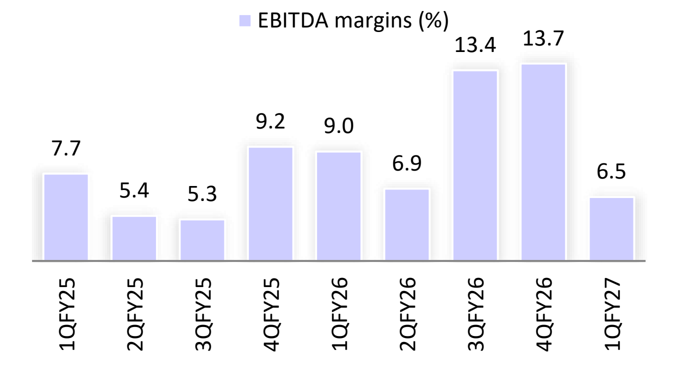

Source: Company, MOFSL

**Exhibit 3: GP margin contracted 240bp YoY to 15.7%**



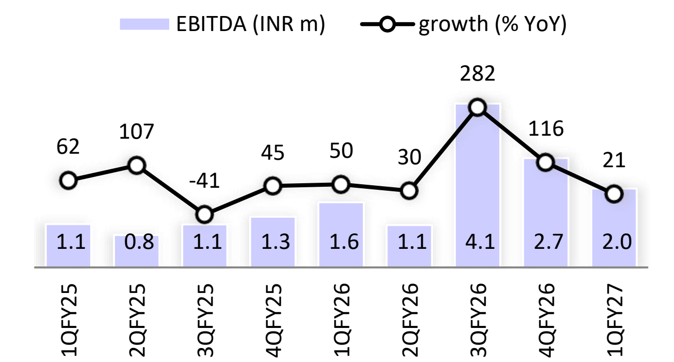

Source: Company, MOFSL

**Exhibit 4: EBITDA margin contracted 250bp YoY to 6.5%**



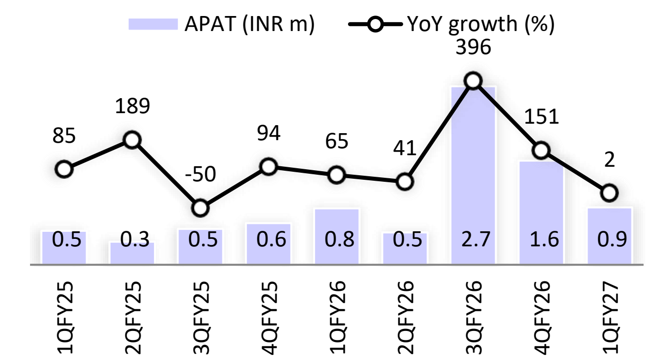

Source: Company, MOFSL

**Exhibit 5: Adj. EBITDA grew 21% YoY to INR2b in 1QFY27**




Source: Company, MOFSL

**Exhibit 6: Adj. PAT grew 2% YoY in 1QFY27**




Source: Company, MOFSL

## Valuation and view

- We maintain our EPS estimates for FY27 and FY28.
- SENCO's gross margins have historically been volatile, reflecting the company's low level of hedging and resultant inventory gains. Management aims to sustain 7.5-7.8% EBITDA margin; however, we model 7.5% for FY27/28 (close to average of FY23-25).
- We model revenue/EBITDA CAGR of +20%/-4% over FY26-28. **We reiterate our Neutral rating with a TP of INR385 (15x Sep'28E EPS).**

**Exhibit 7: We maintain our EPS estimates for FY27 and FY28**

| | New | | Old | | Change (%) | |
|---|---|---|---|---|---|---|
| **(INR b)** | **FY27E** | **FY28E** | **FY27E** | **FY28E** | **FY27E** | **FY28E** |
| Net Sales | 1,05,511 | 1,20,674 | 1,04,455 | 1,19,472 | 1% | 1% |
| EBITDA | 7,994 | 8,930 | 7,945 | 8,935 | 1% | 0% |
| Adjusted PAT | 3,813 | 4,169 | 3,778 | 4,178 | 1% | 0% |

# Financials and valuations

**Income Statement** (INR m)

| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|
| **Net Sales** | **24,203** | **26,604** | **35,346** | **40,774** | **52,414** | **63,281** | **84,300** | **1,05,511** | **1,20,674** |
| Change (%) | -2.6 | 9.9 | 32.9 | 15.4 | 28.5 | 20.7 | 33.2 | 25.2 | 14.4 |
| **Gross Profit** | **4,242** | **3,750** | **5,541** | **6,555** | **8,014** | **9,090** | **16,680** | **16,646** | **18,886** |
| Margin (%) | 17.5 | 14.1 | 15.7 | 16.1 | 15.3 | 14.4 | 19.8 | 15.8 | 15.7 |
| Other expenditure | 2,081 | 1,997 | 2,769 | 3,388 | 4,259 | 4,839 | 6,928 | 8,652 | 9,956 |
| **EBITDA** | **2,162** | **1,753** | **2,772** | **3,166** | **3,755** | **4,251** | **9,752** | **7,994** | **8,930** |
| Change (%) | 23.2 | -18.9 | 58.1 | 14.2 | 18.6 | 13.2 | 129.4 | -18.0 | 11.7 |
| Margin (%) | 8.9 | 6.6 | 7.8 | 7.8 | 7.2 | 6.7 | 11.6 | 7.6 | 7.4 |
| Depreciation | 372 | 396 | 421 | 456 | 601 | 681 | 820 | 949 | 1,048 |
| Int. and Fin. Charges | 557 | 666 | 709 | 861 | 1,081 | 1,362 | 2,042 | 2,674 | 3,063 |
| Other Income - Recurring | 87 | 145 | 128 | 311 | 422 | 546 | 799 | 719 | 748 |
| **Profit before Taxes** | **1,320** | **837** | **1,770** | **2,162** | **2,495** | **2,754** | **7,689** | **5,090** | **5,567** |
| Change (%) | 17.5 | -36.6 | 111.5 | 22.1 | 15.4 | 10.3 | 179.2 | -33.8 | 9.4 |
| Margin (%) | 5.5 | 3.1 | 5.0 | 5.3 | 4.8 | 4.4 | 9.1 | 4.8 | 4.6 |
| Tax | 371 | 288 | 496 | 613 | 728 | 729 | 1,900 | 1,278 | 1,397 |
| Deferred Tax | 40 | -66 | -17 | -37 | -43 | 0 | 0 | 0 | 0 |
| Tax Rate (%) | 31.1 | 26.5 | 27.0 | 26.7 | 27.5 | 26.5 | 24.7 | 25.1 | 25.1 |
| **Profit after Taxes** | **909** | **615** | **1,291** | **1,585** | **1,810** | **2,024** | **5,790** | **3,813** | **4,169** |
| Change (%) | 26.2 | -32.4 | 110.0 | 22.8 | 14.2 | 11.8 | 186.0 | -34.1 | 9.4 |
| Margin (%) | 3.8 | 2.3 | 3.7 | 3.9 | 3.5 | 3.2 | 6.9 | 3.6 | 3.5 |
| Extraordinary income | 0 | 0 | 0 | 0 | 0 | 431 | -47 | 0 | 0 |
| **Reported PAT** | **909** | **615** | **1,291** | **1,585** | **1,810** | **1,594** | **5,836** | **3,813** | **4,169** |

**Balance Sheet**

| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|
| Share Capital | 665 | 665 | 665 | 691 | 777 | 818 | 819 | 819 | 819 |
| Preference Share Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserves | 4,853 | 5,361 | 6,595 | 8,764 | 12,878 | 18,885 | 24,318 | 27,754 | 31,448 |
| **Net Worth** | **5,518** | **6,026** | **7,260** | **9,455** | **13,655** | **19,703** | **25,137** | **28,573** | **32,267** |
| Minority Interest | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| GML | 2,003 | 2,504 | 4,314 | 6,376 | 9,082 | 11,818 | 7,762 | 19,667 | 19,598 |
| Loans | 3,750 | 2,820 | 4,316 | 5,396 | 5,901 | 5,872 | 15,697 | 16,097 | 16,039 |
| Lease liabilities | 1,351 | 1,474 | 1,630 | 2,098 | 2,628 | 2,904 | 3,532 | 3,802 | 4,128 |
| Deferred Tax | -59 | -127 | -141 | -179 | -228 | -265 | -495 | -495 | -495 |
| **Capital Employed** | **12,564** | **12,697** | **17,378** | **23,145** | **31,038** | **40,032** | **51,632** | **67,643** | **71,538** |
| Gross Block | 1,428 | 1,537 | 1,726 | 2,035 | 2,563 | 3,006 | 3,414 | 3,767 | 4,091 |
| Less: Accum. Depn. | 679 | 864 | 1,035 | 1,188 | 1,405 | 1,630 | 1,888 | 2,189 | 2,517 |
| **Net Fixed Assets** | **749** | **674** | **691** | **847** | **1,158** | **1,376** | **1,526** | **1,578** | **1,574** |
| Goodwill | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intangibles | 27 | 27 | 25 | 23 | 28 | 27 | 25 | 22 | 17 |
| Capital WIP | 44 | 24 | 65 | 131 | 15 | 20 | 21 | 21 | 21 |
| Right of use asset | 1,246 | 1,417 | 1,516 | 1,927 | 2,434 | 2,644 | 3,202 | 3,365 | 3,176 |
| Investments | 0 | 0 | 0 | 1 | 1 | 2 | 2 | 2 | 2 |
| **Curr. Assets, L&A** | **13,098** | **13,323** | **18,563** | **25,945** | **33,362** | **43,130** | **65,342** | **75,987** | **81,971** |
| Inventory | 10,871 | 10,395 | 13,912 | 18,855 | 24,570 | 32,993 | 52,961 | 65,558 | 69,993 |
| Account Receivables | 277 | 276 | 394 | 454 | 529 | 810 | 2,247 | 2,891 | 3,306 |
| Cash and Bank Balance | 920 | 1,281 | 2,788 | 4,376 | 5,514 | 5,909 | 5,166 | 1,387 | 1,639 |
| Others | 1,030 | 1,371 | 1,469 | 2,261 | 2,749 | 3,419 | 4,967 | 6,151 | 7,032 |
| **Curr. Liab. and Prov.** | **2,601** | **2,769** | **3,483** | **5,729** | **5,960** | **7,166** | **18,486** | **13,332** | **15,224** |
| Trade Payables | 1,251 | 609 | 1,174 | 1,445 | 2,069 | 1,516 | 6,786 | 5,356 | 6,135 |
| Provisions | 25 | 31 | 14 | 27 | 66 | 79 | 145 | 191 | 219 |
| Other current liabilities | 1,325 | 2,128 | 2,295 | 4,258 | 3,825 | 5,571 | 11,556 | 7,784 | 8,870 |
| **Net Current Assets** | **10,497** | **10,554** | **15,081** | **20,216** | **27,402** | **35,964** | **46,856** | **62,656** | **66,747** |
| **Application of Funds** | **12,564** | **12,697** | **17,378** | **23,145** | **31,038** | **40,032** | **51,632** | **67,643** | **71,538** |

E: MOFSL Estimates

# Financials and valuations

**Ratios**

| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|
| **Basic (INR)** | | | | | | | | | |
| **EPS** | **6.8** | **4.6** | **9.7** | **11.5** | **11.6** | **12.4** | **35.3** | **23.3** | **25.5** |
| Cash EPS | 9.6 | 7.6 | 12.9 | 14.8 | 15.5 | 16.5 | 40.3 | 29.1 | 31.9 |
| BV/Share | 41.5 | 45.3 | 54.6 | 68.4 | 87.9 | 120.4 | 153.5 | 174.4 | 197.0 |
| DPS | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 1.1 | 1.7 | 2.3 | 2.9 |
| Payout % | 0.0 | 0.0 | 0.0 | 0.0 | 4.3 | 8.9 | 4.8 | 9.9 | 11.4 |
| **Valuation (x)** | | | | | | | | | |
| P/E | 50.7 | 75.1 | 35.7 | 30.3 | 29.8 | 28.1 | 9.8 | 14.9 | 13.6 |
| Cash P/E | 36.0 | 45.7 | 26.9 | 23.5 | 22.4 | 21.0 | 8.6 | 11.9 | 10.9 |
| EV/Sales | 1.1 | 0.9 | 0.7 | 0.6 | 0.5 | 0.4 | 0.5 | 0.4 | 0.4 |
| EV/EBITDA | 12.0 | 14.0 | 8.9 | 7.9 | 7.3 | 6.7 | 4.0 | 5.4 | 4.8 |
| P/BV | 8.4 | 7.7 | 6.4 | 5.1 | 3.9 | 2.9 | 2.3 | 2.0 | 1.8 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.3 | 0.5 | 0.7 | 0.8 |
| **Return Ratios (%)** | | | | | | | | | |
| RoE | 17.9 | 10.7 | 19.4 | 19.0 | 15.7 | 12.1 | 25.8 | 14.2 | 13.7 |
| RoCE | 10.9 | 8.7 | 12.0 | 10.9 | 9.6 | 8.5 | 16.0 | 9.8 | 9.3 |
| RoIC | 11.9 | 9.6 | 14.0 | 13.4 | 11.8 | 10.2 | 18.2 | 10.3 | 9.5 |
| **Working Capital Ratios** | | | | | | | | | |
| Inventory days | 147 | 146 | 126 | 147 | 151 | 166 | 186 | 205 | 205 |
| Debtor (Days) | 3 | 4 | 3 | 4 | 3 | 4 | 7 | 9 | 9 |
| Payables days | 14 | 13 | 9 | 12 | 12 | 10 | 18 | 21 | 17 |
| Cash coversion days | 137 | 137 | 120 | 139 | 142 | 160 | 175 | 193 | 197 |
| Inventory turnover (x) | 2.5 | 2.5 | 2.9 | 2.5 | 2.4 | 2.2 | 2.0 | 1.8 | 1.8 |
| Asset Turnover (x) | 1.9 | 2.1 | 2.0 | 1.8 | 1.7 | 1.6 | 1.6 | 1.6 | 1.7 |
| **Leverage Ratio** | | | | | | | | | |
| Net Debt/Equity (x) | 0.9 | 0.7 | 0.8 | 0.8 | 0.7 | 0.6 | 0.7 | 1.2 | 1.1 |

**Cash Flow Statement**

| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|
| OP/(loss) before Tax | 1,320 | 837 | 1,770 | 2,162 | 2,495 | 2,179 | 7,627 | 5,090 | 5,567 |
| Int./Div. Received | -47 | -50 | -72 | -164 | -249 | -379 | -339 | -719 | -748 |
| Depreciation & Amort. | 372 | 396 | 421 | 456 | 601 | 681 | 820 | 949 | 1,048 |
| Interest Paid | 557 | 666 | 709 | 861 | 1,081 | 1,362 | 2,042 | 2,674 | 3,063 |
| Direct Taxes Paid | -404 | -421 | -388 | -592 | -708 | -745 | -934 | -1,278 | -1,397 |
| Incr in WC | -2,241 | 934 | -1,313 | -1,408 | -3,374 | -5,246 | -6,958 | -7,589 | -3,811 |
| **CF from Operations** | **-462** | **2,310** | **1,111** | **1,306** | **-232** | **-2,212** | **-7,892** | **-873** | **3,722** |
| Incr in FA | -211 | -140 | -247 | -311 | -382 | -368 | -542 | -364 | -334 |
| **Free Cash Flow** | **-673** | **2,170** | **864** | **995** | **-614** | **-2,580** | **-8,434** | **-1,237** | **3,388** |
| Investments | 2 | -136 | 113 | -212 | 44 | -108 | 195 | -881 | -614 |
| Others | 43 | 53 | 60 | 127 | 201 | 401 | 332 | 719 | 748 |
| **CF from Invest.** | **-166** | **-224** | **-74** | **-396** | **-138** | **-75** | **-15** | **-526** | **-200** |
| Issue of Shares | - | -0 | 0 | 750 | 2,482 | 4,483 | 15 | 0 | -0 |
| Incr in Debt | 1,137 | -923 | 1,499 | 1,086 | 509 | -28 | 9,829 | 400 | -58 |
| Dividend Paid | -83 | - | -148 | -114 | -93 | -70 | -258 | -377 | -475 |
| Interest paid | -545 | -682 | -705 | -833 | -791 | -1,026 | -1,644 | -2,674 | -3,063 |
| Others | -111 | -120 | -176 | -211 | -600 | -678 | -779 | 270 | 327 |
| **CF from Fin. Activity** | **398** | **-1,725** | **471** | **678** | **1,507** | **2,682** | **7,164** | **-2,380** | **-3,269** |
| **Incr/Decr of Cash** | **-231** | **361** | **1,507** | **1,588** | **1,138** | **395** | **-743** | **-3,779** | **252** |
| Add: Opening Balance | 1,150 | 920 | 1,281 | 2,788 | 4,376 | 5,514 | 5,909 | 5,166 | 1,387 |
| **Closing Balance** | **920** | **1,281** | **2,788** | **4,376** | **5,514** | **5,909** | **5,166** | **1,387** | **1,639** |

E: MOFSL Estimates

# NOTES

| Explanation of Investment Rating | |
|---|---|
| **Investment Rating** | **Expected return (over 12-month)** |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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