

Go Fashion (India) | BUY

Delayed recovery on sustained demand pressure

We recently met with the management of Go Fashion, which highlighted that the recent impact on overall revenue growth was due to demand slowdown and not due to concerns relating to product portfolio/ASP, and that the company continued to outperform its peers. The recent slowdown has impacted new customer addition, hitting volume/EBO. EBO consolidation, which was the pain point in FY25, will be largely over by Mar'25. The company expects to add ~120 stores annually over the next 2-3 years. Strategic initiatives in the MBO business and improved performance in the LFS business will also aid the company in its long-term growth trajectory. We cut our target price to INR 980 from INR 1,160, as delay in demand recovery is resulting in a cut in our FY26-27 Revenue/PAT estimates by 2-5%/5-7%, coupled with a cut in our target multiple to 38x from 42x earlier on account of (i) muted Revenue/PAT CAGR of 11%/12% over FY24-27 vs. 22%/20% CAGR over FY19-24, (ii) dilution in RoE/RoCE to 16%/13% in FY27, and (iii) increase in promoter pledge from 17.4% to 19.8% due to fall in share prices. We maintain BUY as the recent stock price correction of ~30% in 3 months has rendered the risk reward ratio favourable.

- **Weak demand environment in 4Q:** The management highlighted that the overall demand environment remained soft in 4QFY25. The slowdown is largely market-driven and not specific to the company. While demand in Jan'25 and Feb'25 was in line with expectations, there was some deceleration in demand in Mar'25. Repeat purchases have been stable, but new customer acquisition has been challenging for the company in this tough demand environment, which is impacting SSSG growth and resulting in a decline in volume per EBO (refer exhibit - 6). The management remains confident on the product portfolio and doesn't believe that its relative price premium has increased vs. peers. The demand impact is higher for other women-wear centric brands vs. Go Fashion. Increase in ASP is mainly due to improved product mix rather than price hike. Leggings now contribute only 30% of overall revenue vs. 50% earlier.
- **Channel strategy: EBO** – Store consolidation is expected to be largely complete by Mar'25. The company aims to add ~120 stores annually over the next 2-3 years. It will expand in a manner that doesn't lead to cannibalisation of existing stores. The store concentration in eastern and northern region is lower at ~25% due to (1) higher rentals, and (2) higher preference for lower-ASP products. Hence, the company is expanding in these regions in a calibrated manner. The **LFS business** is now stabilising. LFS addition will be largely led by deepening penetration of existing players and very little addition from new LFS partners. The management expects addition of 100+ LFS doors every year. The **Multi-Brand Outlet (MBO)** business currently contributes less than 0.5% of total revenue. In Oct'24, the company appointed Mr Vijay Srinivas as head of the MBO business. He has a prior experience in FMCG and general trade segments. Over the next 3-4 years, Go Fashion aims to gradually increase the MBO channel's revenue contribution to 3-4%.
- **Margins:** Margin in FY25 was largely impacted due to lower throughput and higher rentals. The company expects to achieve 62-63% gross margin and EBITDA margin of 17.5-18% (including other income) in FY25. It aims to maintain gross margin at similar levels and expand EBITDA margin by ~100bps in FY26, led by better operating leverage.

Financial Summary					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	6,634	7,615	8,377	9,330	10,515
Sales Growth (%)	65.9	14.8	10.0	11.4	12.7
EBITDA	2,120	2,424	2,610	3,012	3,419
EBITDA Margin (%)	31.9	31.8	31.1	32.2	32.4
Adjusted Net Profit	823	828	868	1,083	1,281
Diluted EPS (INR)	15.2	15.3	16.1	20.1	23.7
Diluted EPS Growth (%)	131.9	0.6	4.9	24.7	18.3
ROIC (%)	28.3	25.0	25.9	30.4	34.0
ROE (%)	17.2	14.7	13.4	14.5	14.8
P/E (x)	44.4	44.2	42.1	33.8	28.5
P/B (x)	7.0	6.1	5.3	4.6	3.9
EV/EBITDA (x)	16.0	13.7	12.3	10.4	8.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 27/Mar/2025



Gaurav Jogani
gaurav.jogani@jmfl.com | Tel: (91 22) 66303085

Mehul Desai
mehul.desai@jmfl.com | Tel: (91 22) 66303065

Tanuj Pandia
tanuj.pandia@jmfl.com | Tel: (91 22) 66303051

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	980
Upside/(Downside)	44.9%
Previous Price Target	1,160
Change	-15.5%

Key Data – GOCOLORS IN

Current Market Price	INR677
Market cap (bn)	INR36.5/US\$0.4
Free Float	47%
Shares in issue (mn)	52.2
Diluted share (mn)	54.0
3-mon avg daily val (mn)	INR69.6/US\$0.8
52-week range	1,408/665
Sensex/Nifty	77,606/23,592
INR/US\$	85.8

Price Performance

%	1M	6M	12M
Absolute	-7.1	-50.3	-40.5
Relative*	-12.4	-45.2	-43.6

* To the BSE Sensex

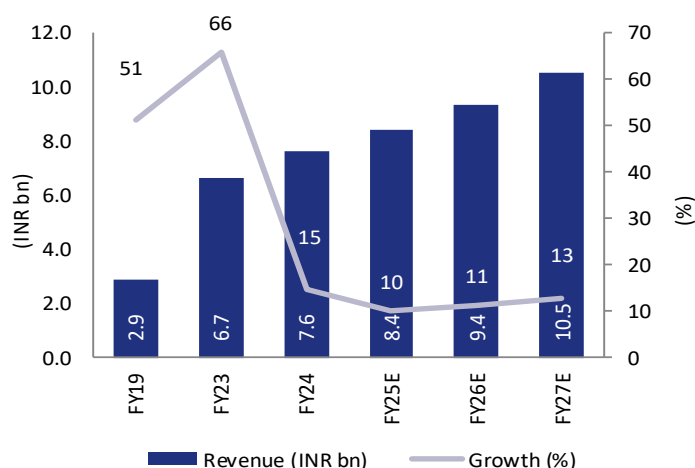
JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

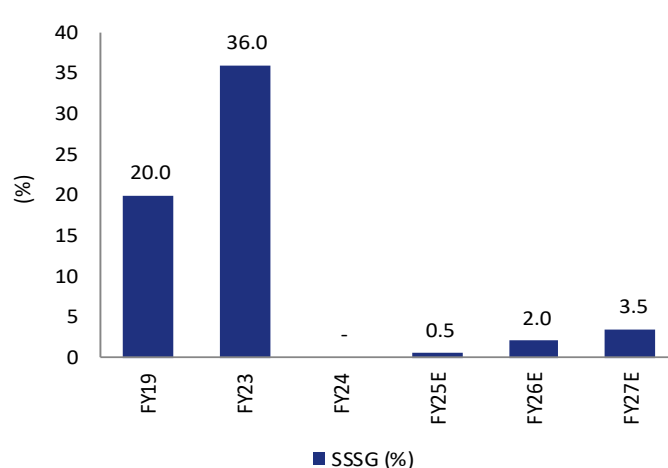
Exhibit 1. We cut our EPS estimates by 5-7% for FY26-27 owing to weak consumer demand environment

	FY25E			FY26E			FY27E		
	Revised	Earlier	Chg (%)	Revised	Earlier	Chg (%)	Revised	Earlier	Chg (%)
Net revenues	8,401	8,401	-	9,357	9,560	(2.1)	10,545	11,046	(4.5)
Gross Margin (%)	68.2	68.2	0bps	68.2	68.4	-21bps	68.2	68.5	-31bps
EBITDA	2,610	2,610	-	3,012	3,105	(3.0)	3,419	3,646	(6.2)
EBITDA margin (%)	31.1	31.1	0bps	32.2	32.5	-29bps	32.4	33.0	-59bps
PAT	868	868	-	1,083	1,148	(5.7)	1,281	1,423	(10.0)
EPS (INR/share)	16.1	16.1	-	20.1	21.3	(5.7)	23.7	26.3	(10.0)
Pre IND AS									
EBITDA	1,337	1,337	-	1,535	1,606	(4.4)	1,732	1,878	(7.8)
EBITDA margin (%)	15.9	15.9	0bps	16.4	16.8	-40bps	16.4	17.0	-58bps
PAT	989	989	-	1,195	1,253	(4.6)	1,389	1,492	(6.9)
EPS (INR/share)	18.3	18.3	-	22.1	23.2	(4.6)	25.7	27.6	(6.9)

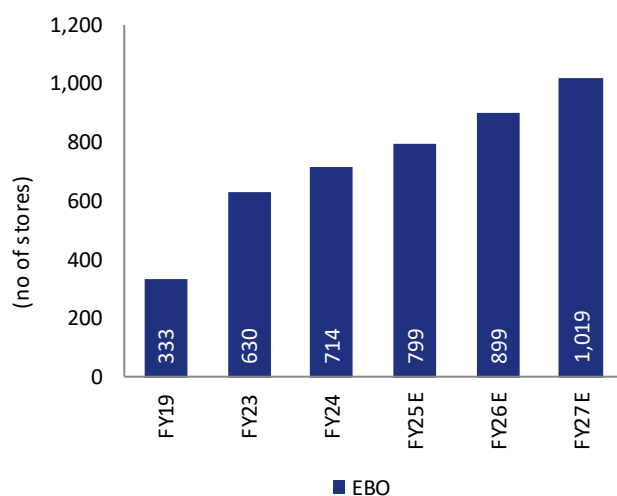
Source: Company, JM Financial

Exhibit 2. Expect 11% revenue CAGR over FY24-27

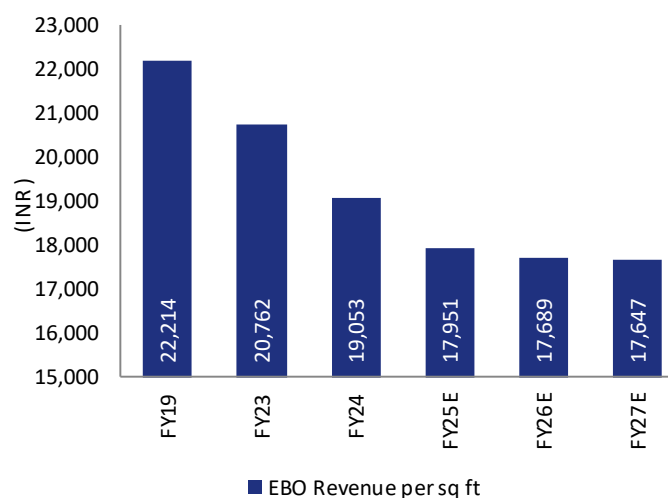
Source: Company, JM Financial

Exhibit 3. Expect gradual recovery in SSSG

Source: Company, JM Financial; Note: SSSG is for EBO

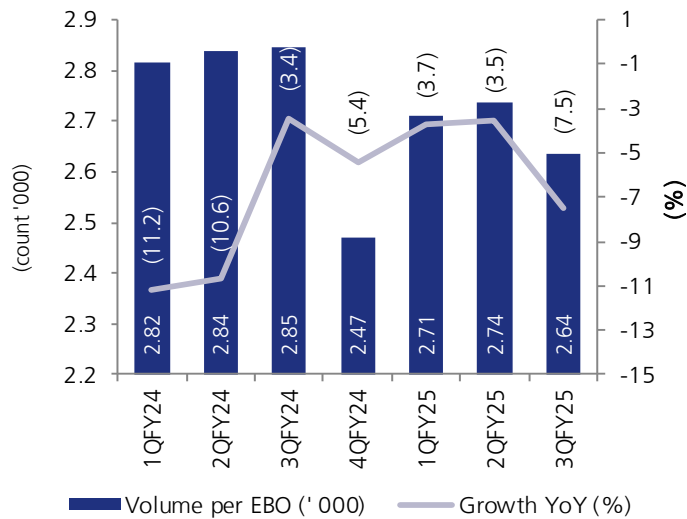
Exhibit 4. Expect 305 cumulative EBO additions over FY24-27

Source: Company, JM Financial

Exhibit 5. EBO rev/ sqft drag due to new store opening

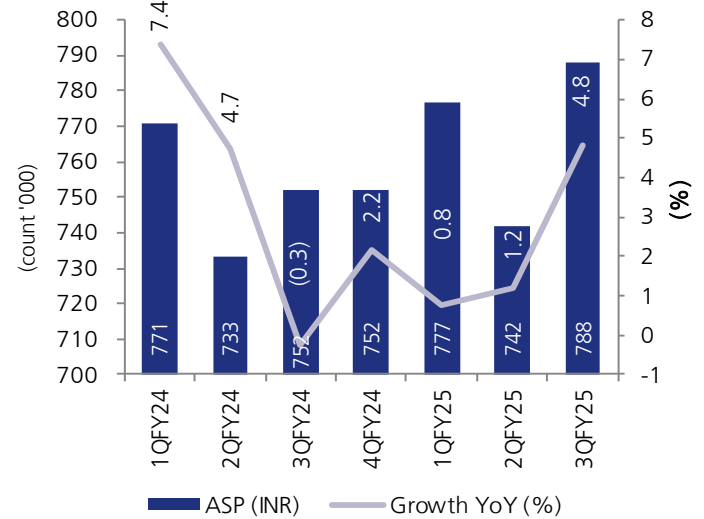
Source: Company, JM Financial

Exhibit 6. Volume/EBO has declined due to demand slowdown



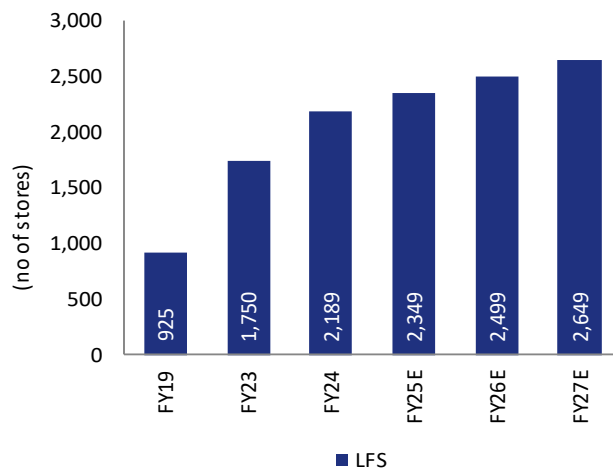
Source: Company, JM Financial

Exhibit 7. ASP has largely increased due to better mix



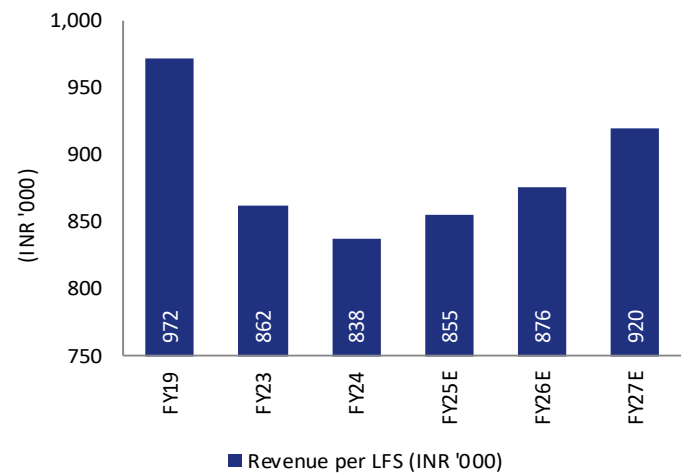
Source: Company, JM Financial

Exhibit 8. Expect 460 cumulative LFS addition over FY24-27



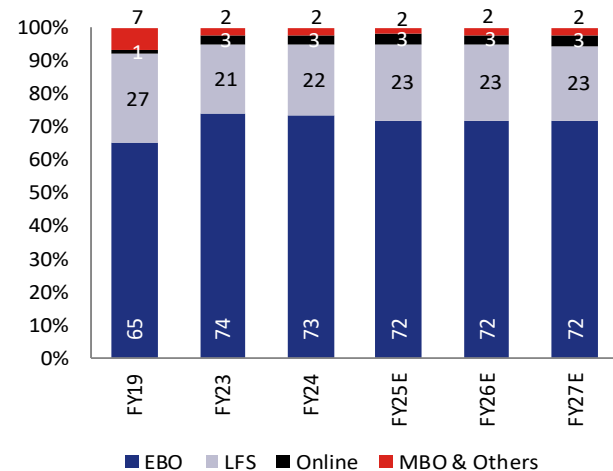
Source: Company, JM Financial

Exhibit 9. Revenue/ LFS to increase by 3% CAGR over FY24-27



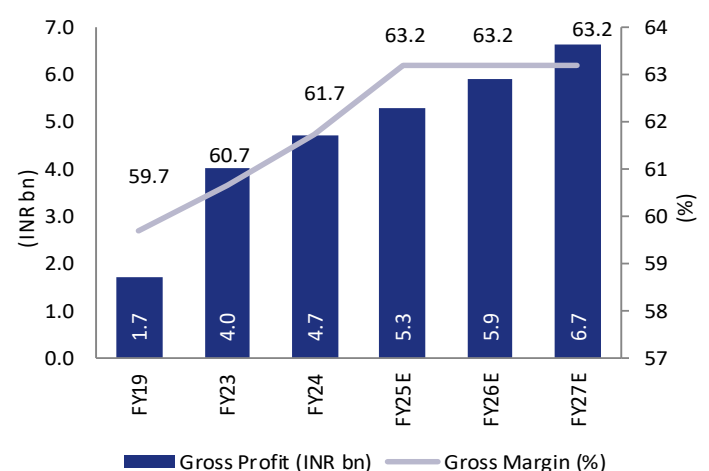
Source: Company, JM Financial

Exhibit 10. EBO mix to contract by ~100bps over FY24-27

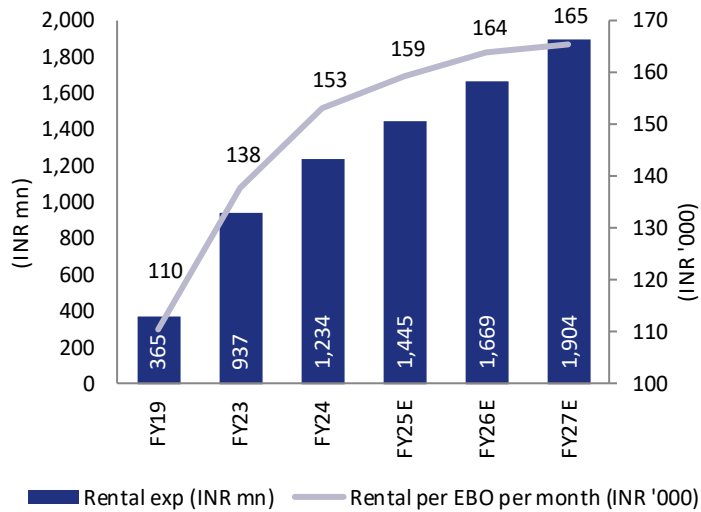


Source: Company, JM Financial

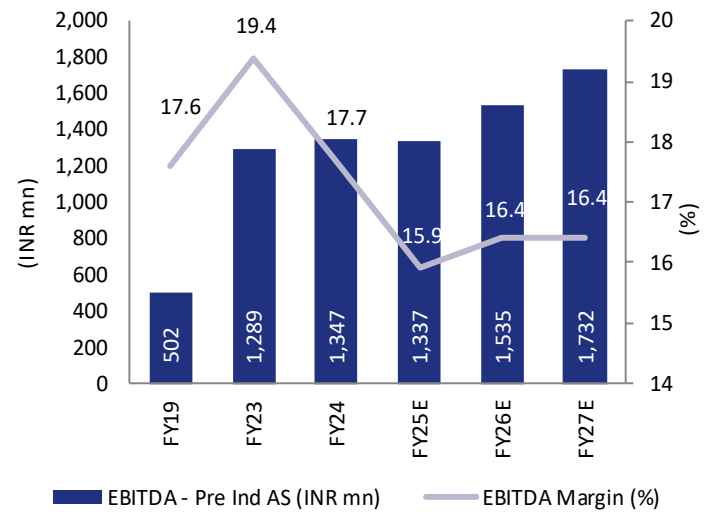
Exhibit 11. Gross margin to expand by ~150bps over FY24-27



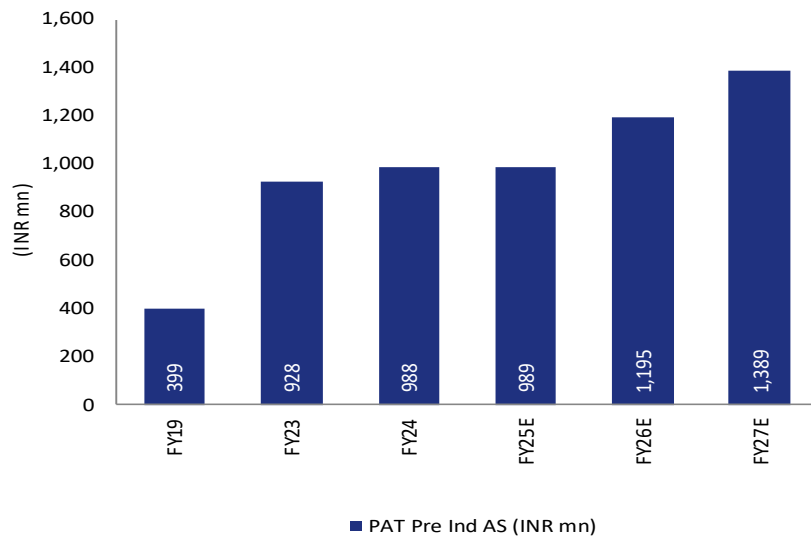
Source: Company, JM Financial; Note: Gross Profit is after adjusting sub-contracting charges

Exhibit 12. Rental /EBO/month to increase by 3% CAGR over FY24-27

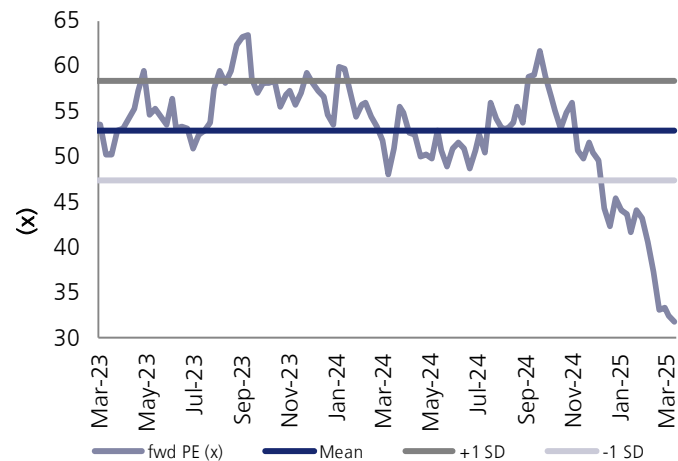
Source: Company, JM Financial

Exhibit 13. EBITDA margin to contract by ~120bps over FY24-27

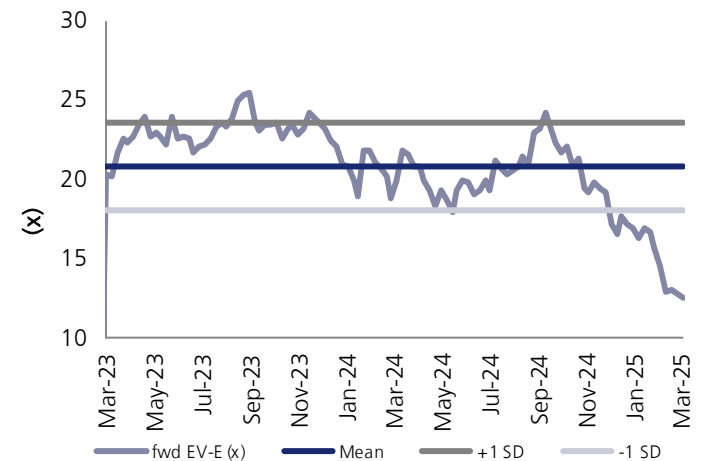
Source: Company, JM Financial

Exhibit 14. PAT is expected to grow at a CAGR of ~12% over FY24-27

Source: Company, JM Financial

Exhibit 15. P/E (x) 1 year forward

Source: Bloomberg

Exhibit 16. EV/EBITDA (x) 1 year forward

Source: Bloomberg

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.comCompliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.comGrievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may 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. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 28th Floor, Office No. 2821, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	6,634	7,615	8,377	9,330	10,515
Sales Growth	65.9%	14.8%	10.0%	11.4%	12.7%
Other Operating Income	19	13	24	27	30
Total Revenue	6,653	7,628	8,401	9,357	10,545
Cost of Goods Sold/Op. Exp	2,215	2,550	2,672	2,976	3,353
Personnel Cost	1,026	1,302	1,608	1,818	2,056
Other Expenses	1,292	1,352	1,511	1,552	1,716
EBITDA	2,120	2,424	2,610	3,012	3,419
EBITDA Margin	31.9%	31.8%	31.1%	32.2%	32.4%
EBITDA Growth	73.4%	14.4%	7.7%	15.4%	13.5%
Depn. & Amort.	871	1,104	1,248	1,428	1,564
EBIT	1,249	1,321	1,362	1,583	1,855
Other Income	119	173	255	365	458
Finance Cost	285	391	459	501	600
PBT before Excep. & Forex	1,084	1,102	1,157	1,448	1,712
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	1,084	1,102	1,157	1,448	1,712
Taxes	259	274	289	365	432
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	825	828	868	1,083	1,281
Adjusted Net Profit	823	828	868	1,083	1,281
Net Margin	12.4%	10.9%	10.3%	11.6%	12.1%
Diluted Share Cap. (mn)	54.0	54.0	54.0	54.0	54.0
Diluted EPS (INR)	15.2	15.3	16.1	20.1	23.7
Diluted EPS Growth	131.9%	0.6%	4.9%	24.7%	18.3%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Profit before Tax	1,084	1,102	1,157	1,448	1,712
Depn. & Amort.	871	1,104	1,248	1,428	1,564
Net Interest Exp. / Inc. (-)	165	218	204	136	142
Inc (-) / Dec in WCap.	-873	87	10	-343	-416
Others	114	42	0	0	0
Taxes Paid	-324	-366	-294	-365	-432
Operating Cash Flow	1,037	2,187	2,325	2,304	2,572
Capex	-349	-434	-221	-236	-291
Free Cash Flow	688	1,753	2,104	2,067	2,280
Inc (-) / Dec in Investments	119	-253	-12	-15	-26
Others	-45	-44	255	365	458
Investing Cash Flow	-276	-731	22	114	140
Inc / Dec (-) in Capital	2	0	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	0	0	0	0	0
Others	-843	-1,078	-1,272	-1,477	-1,688
Financing Cash Flow	-841	-1,078	-1,272	-1,477	-1,688
Inc / Dec (-) in Cash	-79	378	1,075	941	1,024
Opening Cash Balance	1,201	1,545	1,923	2,998	3,939
Closing Cash Balance	1,122	1,923	2,998	3,939	4,964

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Shareholders' Fund	5,204	6,039	6,907	7,990	9,271
Share Capital	540	540	540	540	540
Reserves & Surplus	4,664	5,499	6,367	7,450	8,731
Lease Liabilities	3,395	4,691	6,256	8,004	9,985
Minority Interest	0	0	0	0	0
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	-168	-226	-226	-226	-226
Total - Equity & Liab.	8,431	10,504	12,938	15,768	19,030
Net Fixed Assets	931	1,130	1,127	1,114	1,127
Gross Fixed Assets	1,351	1,682	1,903	2,139	2,430
Less: Depn. & Amort.	494	660	884	1,134	1,413
Capital WIP	74	109	109	109	109
ROU Assets	3,080	4,245	5,600	7,144	8,927
Investments	217	61	73	87	114
Current Assets	4,868	5,733	6,934	8,298	9,847
Inventories	2,303	2,163	2,180	2,403	2,679
Sundry Debtors	722	793	918	1,023	1,152
Cash & Bank Balances	1,122	1,923	2,998	3,939	4,964
Loans & Advances	413	531	503	560	631
Other Current Assets	308	321	335	373	421
Current Liab. & Prov.	664	665	797	876	984
Current Liabilities	554	598	714	782	879
Provisions & Others	110	67	83	93	105
Net Current Assets	4,204	5,068	6,138	7,422	8,863
Total - Assets	8,431	10,504	12,938	15,768	19,030

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Margin	12.4%	10.9%	10.3%	11.6%	12.1%
Asset Turnover (x)	0.9	0.8	0.7	0.6	0.6
Leverage Factor (x)	1.6	1.7	1.8	2.0	2.0
RoE	17.2%	14.7%	13.4%	14.5%	14.8%

Key Ratios					
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
BV/Share (INR)	96.4	111.8	127.9	147.9	171.7
ROIC	28.3%	25.0%	25.9%	30.4%	34.0%
ROE	17.2%	14.7%	13.4%	14.5%	14.8%
Net Debt/Equity (x)	-0.3	-0.3	-0.4	-0.5	-0.5
P/E (x)	44.4	44.2	42.1	33.8	28.5
P/B (x)	7.0	6.1	5.3	4.6	3.9
EV/EBITDA (x)	16.0	13.7	12.3	10.4	8.8
EV/Sales (x)	5.1	4.4	3.8	3.3	2.9
Debtor days	40	38	40	40	40
Inventory days	126	104	95	94	93
Creditor days	30	29	31	31	30

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
12-Dec-22	Buy	1,410	
25-Jan-23	Buy	1,360	-3.5
6-Mar-23	Buy	1,360	0.0
6-May-23	Buy	1,340	-1.5
16-Jun-23	Buy	1,340	0.0
31-Jul-23	Buy	1,340	0.0
5-Oct-23	Buy	1,385	3.4
1-Nov-23	Buy	1,340	-3.2
6-Feb-24	Buy	1,285	-4.1
26-Feb-24	Buy	1,285	0.0
4-May-24	Buy	1,220	-5.1
24-Jul-24	Buy	1,220	0.0
26-Oct-24	Buy	1,325	8.6
27-Jan-25	Buy	1,160	-12.5

Recommendation History

