

# FSN E-commerce Ventures

Estimate change 

TP change 

Rating change 

**CMP: INR275**

**TP: INR300 (+9%)**

**Neutral**

## Top-notch execution

### Beauty steady; Fashion gaining ground

Bloomberg	NYKAA IN
Equity Shares (m)	2863
M.Cap.(INRb)/(USD\$b)	786 / 8.2
52-Week Range (INR)	286 / 191
1, 6, 12 Rel. Per (%)	7/11/59
12M Avg Val (INR M)	1865

### Financials & Valuations (INR b)

INR b	FY26	FY27E	FY28E
BPC GMV	149.5	196.2	247.7
Net Sales	100.2	132.2	167.7
Change (%)	26.1	31.9	26.9
EBITDA	7.5	12.0	16.0
EBITDA margin (%)	7.5	9.1	9.5
Adj. PAT	2.2	4.5	7.3
PAT margin (%)	2.1	3.4	4.4
RoE (%)	14.4	26.3	31.5
RoCE (%)	19.9	31.1	36.2
EPS	0.7	1.6	2.6
EV/ Sales	7.8	6.0	4.7
Price/ Earnings	385.6	172.7	107.2
Price/ Book	52.3	40.1	29.2

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	52.1	52.1	52.2
DII	25.4	25.4	25.2
FII	12.4	12.1	8.8
Others	10.2	10.4	13.8

FII includes depository receipts

- FSN E-commerce Ventures (NYKAA) reported 4QFY26 net revenue of INR26.48b, rising 28% YoY vs. our estimate of 25.2% YoY growth.
- The BPC vertical's NSV grew 29% YoY to INR22.69b, supported by acceleration in both growth and profitability vs. our estimate of 24% YoY growth in 4QFY26. Its EBITDA margin came in at 10.3% in 4QFY26 vs. our estimate of 9.7%.
- The Fashion vertical's NSV grew 42% YoY to INR3.97b vs. our estimate of 33% YoY growth in 4QFY26. The vertical reported a contribution margin of 12.1% vs. our estimate of 9.5% in 4QFY26. EBITDA margin for the Fashion business stood at 0.3%.
- Consolidated adj. PAT came in at INR788m (up 315% YoY) vs. our estimate of INR735m. For FY26, its revenue/EBITDA/adj. PAT grew 26.1%/58.7%/191.7% YoY. For 1QFY27, we expect its revenue/EBITDA/adj. PAT to grow 33.6%/78.4%/319.5% YoY. RoE came in at 14.4% in FY26 (vs. 5.6% in FY25).
- We value NYKAA on an SoTP basis with a TP of INR300. We believe much of the growth is now priced in; following the strong share price performance over the past year, near-term risk-reward appears balanced. **Reiterate Neutral.**

### Our view: Reinvestment could keep margin gains measured

- **Beauty continues to anchor; scale benefits visible but reinvestment remains:** BPC growth remains steady at ~27–29% YoY, supported by customer additions, store expansion (313 stores), and continued premiumization (K-beauty +58%, dermo +40%+). **Customer metrics remain healthy (AUTC ~19.7m; ~66m orders), indicating that both acquisitions and repeat purchases are working together.**
- **While EBITDA margins expanded to ~10.3% in 4Q (FY26: ~9.6%),** management continues to reinvest in customer acquisition and category expansion. We expect BPC NSV growth of 30%/26% in FY27/28E, with margins gradually trending toward 11%, supported by mix and operating leverage.
- **Fashion witnessing improvement; growth and profitability moving together:** The Fashion vertical's growth picked up to ~30% in FY26, alongside a sharp ~570bp margin expansion, with the business turning EBITDA positive in 4Q (~0.3%). **This improvement is largely driven by better customer quality, higher brand additions (~1,200+), and partnerships like H&M and Nike, which are improving traffic and conversion.** While the trajectory is positive, the fashion vertical has seen volatility earlier and sustaining both growth and profitability together remains key. We build in Fashion vertical growth of 20% in FY27E, with EBITDA margin of +1.0%.

- **Margins expanding across segments; mix and reinvestment to shape the trajectory:** We believe margin expansion is now broad-based, with consolidated EBITDA margin expanding to ~8.4% in 4Q, driven by gross margin expansion (~45%+) and improved cost control, particularly in employee and overhead productivity. **House of Nykaa (GMV +50%) and improving Superstore profitability (>500bp margin expansion) are supporting margins.** However, management highlighted that part of these gains will continue to be reinvested into growth, especially in beauty retail. We estimate EBITDA margins of 9.0%/9.5% for FY27/28E, with further expansion likely to be gradual.
- **Management indicated that the stable demand environment and April-May trends continue to hold up, though it flagged risks arising from inflation and currency. We believe much of the growth path is now visible;** revenue CAGR is projected at ~26% over FY23–26, with EBITDA margin expansion to ~7.5% in FY26 (vs ~5.0% in FY23). **From here, sustaining ~22-25%+ growth, alongside continued margin expansion** (toward ~9–10%), without a step-up in reinvestment, remains the key monitorable. **We believe overall execution remains top-notch and, notwithstanding any macro risks, this remains a steady compounder.**

#### Valuation and changes to our estimates

- We have increased our estimates by ~3.7%/4.8% for FY27/FY28, largely reflecting steady execution across segments. We believe BPC continues to deliver mid-to-high 20% growth with improving margins (~10%+), supported by premiumization and owned brands, though reinvestment remains ongoing. Meanwhile, the Fashion vertical is showing signs of recovery, with growth improving and the business reaching EBITDA breakeven in this quarter. NYKAA is expected to report a PAT margin of 3.4%/4.4% in FY27/28E.
- For the BPC business, we assign a 50x EV/EBITDA multiple, reflecting category leadership, relatively better margins versus horizontal platforms, and improving earnings visibility, implying a per-share value of INR275. For the Fashion business, we use a DCF-based approach, implying a per-share value of INR27. Adjusting for net debt, we arrive at our TP of INR300.
- We believe much of the growth is now reflected in valuations, and following the strong share price performance over the past year, the near-term risk-reward appears balanced. **We reiterate our Neutral rating on the stock.**

#### BPC NSV growth above our estimates and beat on both Fashion and BPC margins

- NYKAA's consolidated GMV and NSV both grew 28%/31% YoY vs. our estimates of 24.8%/25.6%.
- NYKAA reported 4QFY26 net revenue of INR 26.48b (rising 28% YoY vs our estimate of 25.2%). For FY26, revenue stood at INR100.2b, rising 26% YoY.
- The BPC vertical's NSV/revenue grew 29%/27% YoY to INR22.69b vs our estimate of 24% YoY growth in 4QFY26.
- The Fashion vertical's NSV/revenue grew 42%/40% YoY to INR3.97b vs our estimate of 33% YoY growth in 4QFY26.
- Average unique transacting customers (AUTC) for the BPC vertical grew 24.7% YoY to 19.7m.

- The BPC vertical's EBITDA margin came in at 10.3% in 4QFY26 vs our estimate of 9.7%.
- The Fashion vertical reported contribution margin of 12.1% vs our estimate of 9.5% in 4QFY26. EBITDA margin for this vertical stood at 0.3%.
- Consol adj. PAT came in at INR788m (up 315% YoY) vs our estimate of INR735m. For the full year, consol adj. PAT stood at INR2,152m, rising 192% YoY.

### Key highlights from the management commentary

- **The Beauty** vertical's GMV grew ~27% YoY to ~INR150b for full year FY26; 4Q GMV and NSV grew ~27% and ~29% YoY, respectively.
- EBITDA margin for the Beauty vertical reached ~10.3% in 4Q, with a ~70bp YoY improvement for the full year to ~9.6%, driven by marketing efficiencies and scale benefits.
- Korean beauty brands grew ~58% YoY; dermo-cosmetics brands witnessed ~40%+ GMV growth, with NYKAA holding the largest assortment of both categories in India.
- 200+ new brands were launched in FY26, including ultra-luxury entries such as Chanel, La Prairie, and SK-II, alongside prestige additions like La Roche-Posay, IT Cosmetics, and Supergoop.
- **Fashion:** Nykaa Fashion's GMV grew ~30% YoY to ~INR50b in FY26; NSV grew ~30% to ~INR14.5b; 4Q NSV grew ~42% YoY, accelerating sharply vs. the full year.
- EBITDA margin expanded ~570bp YoY from -8.3% in FY25 to -2.6% in FY26; the business turned EBITDA positive at +0.3% in 4QFY26, a key inflection milestone.
- New customer acquisitions grew ~41% YoY, with focus maintained on premium, high-quality customers; marketing efficiency improved across the funnel as brand quality and assortment expanded.

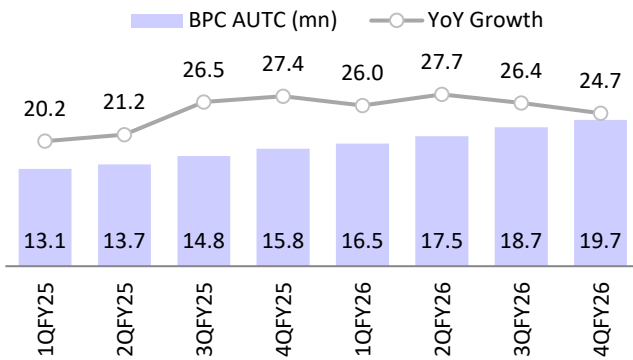
### Consolidated - Quarterly Earnings Model

(INR M)

Y/E march	FY25				FY26				FY25	FY26	Estimate 4QFY26	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Revenue</b>	<b>17,461</b>	<b>18,747</b>	<b>22,672</b>	<b>20,618</b>	<b>21,549</b>	<b>23,460</b>	<b>28,733</b>	<b>26,482</b>	<b>79,498</b>	<b>1,00,224</b>	<b>25,875</b>	<b>2.3</b>
YoY Change (%)	22.8	24.4	26.7	23.6	23.4	25.1	26.7	28.4	24.5	26.1	25.5	290bp
Inventory of traded goods	9,901	10,537	12,761	11,527	11,934	12,924	15,759	14,449	44,727	55,065	14,438	0.1
<b>Gross Profit</b>	<b>7,560</b>	<b>8,210</b>	<b>9,911</b>	<b>9,090</b>	<b>9,615</b>	<b>10,535</b>	<b>12,974</b>	<b>12,033</b>	<b>34,772</b>	<b>45,157</b>	<b>11,437</b>	<b>5.2</b>
Margins (%)	43.3	43.8	43.7	44.1	44.6	44.9	45.2	45.4	43.7	45.1	44	120bp
Employee Benefit expenses	1,559	1,615	1,746	1,741	1,820	1,828	2,030	2,038	6,661	7,715	2,018	1.0
Others	5,041	5,558	6,758	6,016	6,388	7,120	8,650	7,765	23,371	29,923	7,364	5.4
<b>EBITDA</b>	<b>960</b>	<b>1,037</b>	<b>1,407</b>	<b>1,333</b>	<b>1,407</b>	<b>1,588</b>	<b>2,294</b>	<b>2,230</b>	<b>4,740</b>	<b>7,519</b>	<b>2,055</b>	<b>NA</b>
Margins (%)	5.5	5.5	6.2	6.5	6.5	6.8	8.0	8.4	6.0	7.5	7.9	50bp
Depreciation	601	636	698	729	761	790	809	842	2,664	3,203	641	31.3
Interest	213	242	319	299	302	315	292	263	1,073	1,171	317	-16.8
Other Income	73	55	55	90	93	80	63	92	273	328	80	14.4
<b>PBT before EO expense</b>	<b>220</b>	<b>213</b>	<b>445</b>	<b>395</b>	<b>437</b>	<b>563</b>	<b>1,256</b>	<b>1,216</b>	<b>1,275</b>	<b>3,472</b>	<b>1,177</b>	<b>3.3</b>
Tax	78	78	176	205	192	220	480	428	538	1,320	441	-3.1
Rate (%)	35.7	36.7	39.5	51.9	44.0	39.1	38.2	35.2	42.1	38.0	37.5	-230bp
<b>Adj PAT</b>	<b>141</b>	<b>135</b>	<b>269</b>	<b>190</b>	<b>245</b>	<b>343</b>	<b>776</b>	<b>788</b>	<b>738</b>	<b>2,152</b>	<b>735</b>	<b>7.1</b>
Extra-Ord expense	0	0	0	0	0	0	101	0	0	101	0	
MI & Profit/Loss of Asso. Cos.	6	5	6	0	0	15	0	0	16	15	0	
<b>Reported PAT</b>	<b>135</b>	<b>130</b>	<b>264</b>	<b>190</b>	<b>245</b>	<b>329</b>	<b>675</b>	<b>788</b>	<b>722</b>	<b>2,037</b>	<b>735</b>	<b>7.1</b>
YoY Change (%)	110%	40%	45%	112%	81%	152%	156%	315%	81%	182%	2.9	
Margins (%)	0.8	0.7	1.2	0.9	1.1	1.4	2.4	3.0	0.9	2.0	2.8	

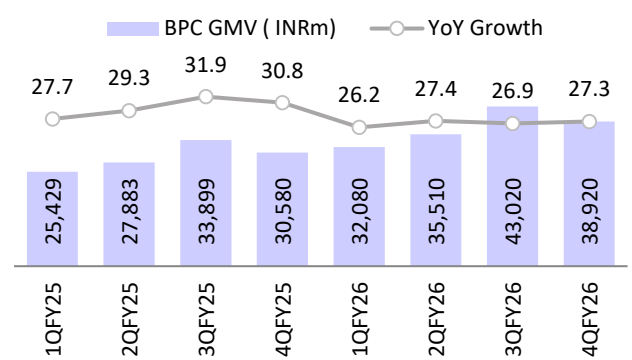
## Story in charts

**Exhibit 1: BPC AUTC grew 25% YoY**



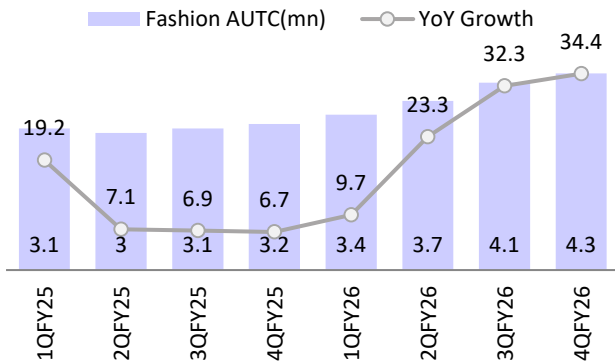
Source: MOFSL, Company

**Exhibit 2: BPC GMV grew 27.3% QoQ, supported by customer additions and continued premiumization**



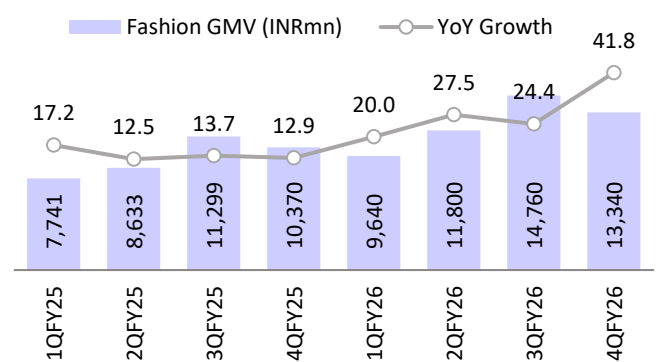
Source: MOFSL, Company

**Exhibit 3: Fashion AUTC grew 34% YoY**



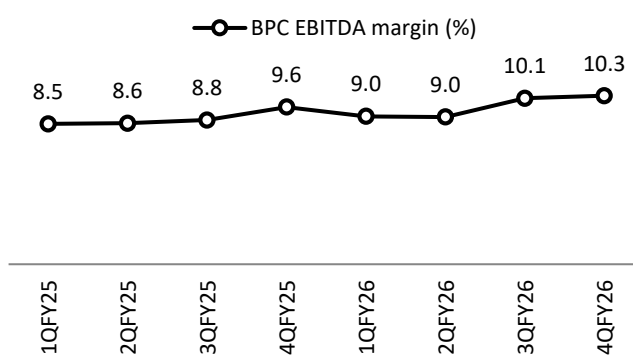
Source: MOFSL, Company

**Exhibit 4: Fashion GMV grew 42% YoY**



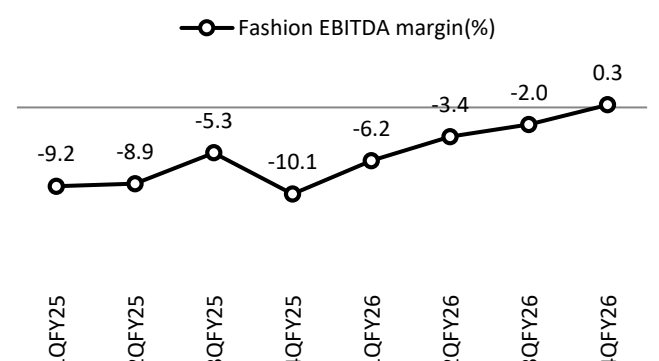
Source: MOFSL, Company

**Exhibit 5: BPC margins rose to 10.3%, driven by GM improvements**



Source: MOFSL, Company

**Exhibit 6: Fashion EBITDA margins turned positive for the first time**



Source: MOFSL, Company



## Key highlights from the management commentary

### Demand and growth outlook

- Net revenue grew ~28% YoY to ~INR26.5b in 4QFY26, one of the strongest quarterly growth prints in the last 12 quarters; full-year revenue crossed the INR100b (~USD1b) milestone for the first time.
- Revenue has doubled over the last three years (from ~INR50b in FY23 to ~INR100b in FY26), driven by diversification across omnichannel beauty, fashion, B2B distribution, and owned brands.
- Management noted April and May FY27 have started positively, though macro concerns around currency depreciation and inflationary pressures warrant some caution on the outlook.
- Gross profit grew ~32% YoY to ~INR12b in 4Q, with gross margin at ~45.4%, the highest in at least 14 quarters; full-year gross margin expanded ~132bp to ~45.1%.
- Gross margin expansion was led by strong House of Nykaa performance and improved service income; employee and overhead productivity gains drove the bulk of EBITDA improvement.
- RoCE improved sharply to ~21.2% in FY26 from ~11.3% in FY25, driven by higher profitability and better capital efficiency; working capital days improved from 34 to 28 days.
- Management indicated that the margin trajectory across all segments is expected to remain positive, with reinvestment in growth remaining a priority for the core beauty retail business.
- **BPC:** The platform recorded ~1.8b visits in FY26 (+28% YoY), with ~19.7m annual unique transacting customers - nearly double the FY23 base; ~66m orders were placed versus ~36m in FY23.
- **Beauty** vertical GMV grew ~27% YoY to ~INR150b for full-year FY26; 4Q GMV and NSV grew ~27% and ~29% YoY, respectively.
- EBITDA margin for Beauty reached ~10.3% in 4Q, with a ~70bp YoY improvement for the full year to ~9.6%, driven by marketing efficiencies and scale benefits.
- Korean beauty brands grew ~58% YoY; dermo-cosmetics brands saw ~40%+ GMV growth, with NYKAA holding the largest assortment of both categories in India.
- 200+ new brands were launched in FY26, including ultra-luxury entries such as Chanel, La Prairie, and SK-II, alongside prestige additions like La Roche-Posay, IT Cosmetics, and Supergoop.
- Retail network expanded to 313 stores across 99 cities, with 300,000+ sq ft of retail space; LFL growth remained double-digit for the year. Its target of ~500 stores over the next 2-3 years remains on track (~50-70 new stores per year).
- Nykaa Now (quick commerce) currently covers 75-80 rapid stores across the top seven metros, delivering 80-90% of relevant PIN codes within 30 minutes to 2 hours; active marketing of the service is planned for FY27.
- **Fashion:** Nykaa Fashion GMV grew ~30% YoY to ~INR50b in FY26; NSV grew ~30% to ~INR14.5b; 4Q NSV grew ~42% YoY, accelerating sharply vs. the full year.

- EBITDA margin expanded ~570bp YoY from -8.3% in FY25 to -2.6% in FY26; the business turned EBITDA positive at +0.3% in 4QFY26, a key inflection milestone.
- New customer acquisition grew ~41% YoY, with focus maintained on premium, high-quality customers; marketing efficiency improved across the funnel as brand quality and assortment expanded.
- ~1,200-1,300 new brands added in FY26 across categories; H&M has become the #1 brand on Nykaa Fashion since launch in November; Nike was onboarded in Q3 FY26.
- Nike partnership is differentiated - Nykaa Fashion manages nike.com and the Nike app in India end-to-end since February FY26, representing a distinct D2C digital commerce model.
- Emerging categories showed strong traction: Men's +60% YoY, Kids +50% YoY, Home +40% YoY, broadening the platform from women-centric to a holistic lifestyle destination.
- Management expressed confidence in continued positive margin trajectory for fashion, driven by flywheel improvements in customer quality, retention, and assortment depth.
- **House of Nykaa:** House of Nykaa's GMV grew ~50% YoY to ~INR31.8b in FY26, serving 17m+ consumers and expanded offline distribution to 15,000 doors.
- Beauty brands within the portfolio grew ~65% YoY to ~INR27.9b GMV, having delivered ~4x growth over three years; the unit saw significant EBITDA expansion driven by improved unit economics channel by channel.
- Dot & Key, the flagship brand, grew ~13x over three years to ~INR17.9b GMV; it holds #1 position in sunscreen across Nykaa, Amazon, Flipkart, and Blinkit, and #2 in moisturizers and #3 in face wash. Offline presence expanded to 53,000 doors across 1,000 cities via GT rollout.
- Kay Beauty grew ~3x in three years to ~INR3.8b GMV; premium kiosk concept (K Cafes) is being rolled out in top-tier malls. International expansion progressing in the UK (via Space NK) and GCC (via JV Nisa).
- Nykaa Cosmetics (second-largest brand) reached ~INR4b GMV with 24% of sales from new launches in FY26, distributed across 62,000 offline doors.
- Management outlined a three-pronged House of Nykaa strategy: 1) accelerate the four scaled brands, 2) incubate the next-tier brands through the ~INR1.5b threshold, and 3) pursue acquisitions/in-house builds to supplement category coverage.
- AI investments are generating benefits on both top-line (personalization, new customer conversion) and cost (marketing efficiency on Meta/Google, real-time campaign insights for brands), with management citing AI as a key enabler of FY26's marketing efficiency gains.
- Advertising revenue is well-diversified; no single brand or brand group accounts for double-digit revenue, limiting concentration risk from any potential macro-driven pullback in ad spends.
- Acquisition of Earth Rhythm completed - NYKAA acquired the remaining 24% stake (at pre-agreed terms) after acquiring a 76% stake across FY23-FY25.
- On inflation risk: Management noted limited direct import exposure (hedged on a rolling 2-3 month basis); freight costs and currency depreciation could pressure brands on pricing, but management believes beauty's small ticket size

and habituated consumption make the category more resilient than discretionary segments.

- The House of Nykaa Beauty portfolio's GMV stood at INR775 Cr, reaching an annualized run rate of ~INR3,100 Cr, growing 65% YoY.
- Dot & Key operates at high-teens EBITDA margins, with a strong focus on facewash, moisturizers, and sunscreen categories.
- New third-party channels were added in the past year.

### Valuation and view

- We have increased our estimates by ~3.7%/4.8% for FY27/FY28, largely reflecting steady execution across segments. We believe BPC continues to deliver mid-to-high 20% growth with improving margins (~10%+), supported by premiumization and owned brands, though reinvestment remains ongoing. Meanwhile, Fashion is showing signs of recovery, with growth improving and the business reaching EBITDA breakeven in this quarter. NYKAA should report a PAT margin of 3.4%/4.4% in FY27/28E.
- For the BPC business, we assign a 50x EV/EBITDA multiple, reflecting category leadership, relatively better margins versus horizontal platforms, and improving earnings visibility, implying a per-share value of INR275. For the Fashion business, we use a DCF-based approach, implying a per-share value of INR27. Adjusting for net debt, we arrive at our TP of INR300.
- We believe much of growth is now reflected in valuations, and following the strong share price performance over the past year, we believe the near-term risk-reward appears balanced. **We reiterate our Neutral rating on the stock.**

### Exhibit 7: Summary of our revised estimates

	Revised estimates		Earlier estimates		Change (%/bp)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue (INR m)	1,32,171	1,67,740	1,30,116	1,62,965	1.6%	2.9%
EBITDA (INR m)	11,962	15,993	11,465	15,241	4.3%	4.9%
EBITDA Margin	9.1	9.5	8.8	9.4	24bp	18bp
Adj. PAT	4,549	7,328	4,383	6,984	3.8%	4.9%
Adj. PAT Margin	3.4	4.4	3.4	4.3	7bp	8bp
Adj. EPS	1.59	2.56	1.53	2.44	3.7%	4.8%

Source: MOFSL

### Exhibit 8: SoTP-based TP at INR300

Segment	Methodology	Methodology description	Valuation toward NYKAA (INR b)	Contribution (INR per share)
BPC	Multiples	❖ 50x FY28E EV/EBITDA	786	275
Fashion	DCF	❖ Estimate 19% GOV CAGR and steady state improvement of ~3.7% in EBITDA over FY27-37E. Our WACC/terminal growth estimate stands at ~11.0%/5.5%, respectively.	78	27
Less : Net debt			4	1
<b>Total (Rounded)</b>				<b>300</b>

Source: MOFSL

## Financials and valuations

Revenue Model							(INR Mn)	
Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	
AUTC (Mn)	8.4	10.5	12.4	15.8	19.7	23.1	28.8	
Order Frequency	3.2	3.4	3.5	3.4	3.3	3.7	3.7	
Orders/ Year	27	36	44	55	66	85	106	
AOV	1,857	1,857	1,985	2,021	2,068	2,113	2,149	
<b>BPC GOV</b>	<b>51,816</b>	<b>71,736</b>	<b>90,550</b>	<b>1,17,750</b>	<b>1,49,530</b>	<b>1,96,185</b>	<b>2,47,722</b>	
<b>BPC Revenue (NSV)</b>	<b>34,485</b>	<b>47,091</b>	<b>58,100</b>	<b>72,510</b>	<b>91,392</b>	<b>1,21,404</b>	<b>1,53,302</b>	
Fashion Revenue	3,254	4,347	5,680	6,750	8,322	9,829	12,480	
Others	0	0	74	240	507	938	1,959	
<b>Revenue</b>	<b>37,739</b>	<b>51,438</b>	<b>63,856</b>	<b>79,498</b>	<b>1,00,224</b>	<b>1,32,171</b>	<b>1,67,740</b>	
Income statement							(INR Mn)	
Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	
<b>Sales</b>	<b>37,739</b>	<b>51,438</b>	<b>63,856</b>	<b>79,498</b>	<b>1,00,224</b>	<b>1,32,171</b>	<b>1,67,740</b>	
Change (%)	NA	36.3	24.1	24.5	26.1	31.9	26.9	
Inventory of traded goods	21,300	28,657	36,464	44,727	55,065	73,513	94,313	
<b>Gross Profit</b>	<b>16,439</b>	<b>22,781</b>	<b>27,392</b>	<b>34,771</b>	<b>45,158</b>	<b>58,658</b>	<b>73,427</b>	
% of Net Sales	43.6	44.3	42.9	43.7	45.1	44.4	43.8	
Employee Expenses	3,265	4,917	5,649	6,661	7,715	11,102	14,090	
Other Expenses	11,542	15,304	18,281	23,371	29,923	35,594	43,344	
<b>EBITDA</b>	<b>1,632</b>	<b>2,560</b>	<b>3,462</b>	<b>4,740</b>	<b>7,520</b>	<b>11,962</b>	<b>15,993</b>	
% of Net Sales	4.3	5.0	5.4	6.0	7.5	9.1	9.5	
Depreciation	964	1,733	2,242	2,664	3,203	4,084	4,456	
<b>EBIT</b>	<b>668</b>	<b>827</b>	<b>1,220</b>	<b>2,076</b>	<b>4,317</b>	<b>7,878</b>	<b>11,536</b>	
% of Net Sales	1.8	1.6	1.9	2.6	4.3	6.0	6.9	
Other Income (net)	-195	-444	-529	-800	-844	-880	-900	
<b>PBT</b>	<b>473</b>	<b>384</b>	<b>691</b>	<b>1,275</b>	<b>3,473</b>	<b>6,998</b>	<b>10,636</b>	
Tax	60	136	253	538	1,320	2,449	3,308	
Rate (%)	12.7	35.4	36.6	42.1	38.0	35.0	31.1	
<b>Adjusted PAT</b>	<b>412</b>	<b>248</b>	<b>438</b>	<b>738</b>	<b>2,153</b>	<b>4,549</b>	<b>7,328</b>	
Extraordinary gains/loss	0	0	0	0	101	0	0	
Minority Interest	0	39	40	16	15	0	0	
<b>Reported PAT</b>	<b>412</b>	<b>209</b>	<b>398</b>	<b>721</b>	<b>2,038</b>	<b>4,549</b>	<b>7,328</b>	
Change (%)	NA	-49%	91%	81%	182%	123%	61%	
Balance Sheet							(INR Mn)	
Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	
Share capital	474	2,852	2,856	2,859	2,863	2,863	2,863	
Reserves	12,925	10,928	9,766	10,154	11,517	16,065	23,393	
<b>Net Worth</b>	<b>13,455</b>	<b>13,922</b>	<b>12,810</b>	<b>13,427</b>	<b>15,021</b>	<b>19,570</b>	<b>26,898</b>	
Loans	2,052	2,137	1,593	3,218	3,152	5,557	5,602	
<b>Capital Employed</b>	<b>15,508</b>	<b>16,059</b>	<b>14,403</b>	<b>16,644</b>	<b>18,173</b>	<b>25,127</b>	<b>32,499</b>	
<b>Net Block</b>	<b>3,718</b>	<b>5,433</b>	<b>4,966</b>	<b>6,016</b>	<b>7,614</b>	<b>8,301</b>	<b>8,695</b>	
Intangibles	1,262	1,844	1,952	2,668	2,465	2,122	1,780	
Other LT assets	2,210	3,167	4,158	4,341	4,145	4,145	4,145	
<b>Curr. Assets</b>	<b>19,271</b>	<b>19,056</b>	<b>22,929</b>	<b>26,771</b>	<b>31,889</b>	<b>38,896</b>	<b>48,817</b>	
Inventories	8,756	10,051	11,920	14,175	16,422	21,656	28,493	
Debtors	945	1,635	2,416	2,466	2,894	3,621	4,596	
Cash & Bank Balance	2,670	1,487	2,399	2,172	3,200	4,367	4,826	
Investments	4,879	2,645	1,833	2,693	3,123	3,082	3,632	
Other Current Assets	2,020	3,237	4,361	5,265	6,251	6,170	7,271	
<b>Current Liab. &amp; Prov</b>	<b>10,953</b>	<b>13,441</b>	<b>19,603</b>	<b>23,151</b>	<b>27,941</b>	<b>28,338</b>	<b>30,938</b>	
<b>Net Current Assets</b>	<b>8,318</b>	<b>5,615</b>	<b>3,327</b>	<b>3,620</b>	<b>3,948</b>	<b>10,558</b>	<b>17,879</b>	
<b>Application of Funds</b>	<b>15,507</b>	<b>16,059</b>	<b>14,403</b>	<b>16,644</b>	<b>18,173</b>	<b>25,127</b>	<b>32,499</b>	

## Financials and valuations

### Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Basic (INR)</b>							
<b>EPS</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.7</b>	<b>1.6</b>	<b>2.6</b>
Cash EPS	0.5	0.7	0.9	1.2	1.8	3.0	4.1
Book Value	4.8	4.9	4.5	4.7	5.2	6.8	9.4
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>							
P/E	1,880.7	3,761.6	1,968.3	1,089.0	385.6	172.7	107.2
Cash P/E	563.6	404.6	296.9	232.1	149.9	91.0	66.7
EV/EBITDA	474.9	307.1	226.2	166.0	104.5	65.8	49.2
EV/Sales	20.5	15.3	12.3	9.9	7.8	6.0	4.7
Price/Book Value	57.7	56.4	61.2	58.5	52.3	40.1	29.2
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Profitability Ratios (%)</b>							
RoE	3.1	1.8	3.3	5.6	14.4	26.3	31.5
RoCE	3.6	3.7	6.4	10.0	19.9	31.1	36.2
<b>Turnover Ratios</b>							
Debtors (Days)	9	12	14	11	11	10	10
Fixed Asset Turnover (x)	7.6	7.1	9.2	9.2	9.9	12.7	16.0

### Cash Flow Statement

(INR Mn)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
CF from Operations	1,109	1,888	2,516	4,455	6,594	9,513	12,684
Cash for Working Capital	-4,649	-3,290	-2,513	211	-151	-3,505	-6,863
<b>Net Operating CF</b>	<b>-3,540</b>	<b>-1,402</b>	<b>3</b>	<b>4,666</b>	<b>6,443</b>	<b>6,008</b>	<b>5,822</b>
Net Purchase of FA	-940	-2,082	-1,107	-1,272	-1,539	-1,233	-1,254
<b>Free Cash Flow</b>	<b>-4,480</b>	<b>-3,484</b>	<b>-1,105</b>	<b>3,394</b>	<b>4,904</b>	<b>4,775</b>	<b>4,567</b>
Net Purchase of Invest.	-5,088	3,477	1,006	-782	-51	300	310
<b>Net Cash from Invest.</b>	<b>-6,028</b>	<b>1,396</b>	<b>-101</b>	<b>-2,054</b>	<b>-1,589</b>	<b>-933</b>	<b>-944</b>
Proc. from equity issues	8,727	288	172	-2,499	352	0	0
Proceeds from LTB/STB	1,456	1,263	2,200	2,768	-2,079	0	0
Others	-913	-1,503	-1,930	-2,390	-2,604	-3,908	-4,419
Dividend Payments	0	0	0	0	0	0	0
<b>Cash Flow from Fin.</b>	<b>9,270</b>	<b>49</b>	<b>443</b>	<b>-2,120</b>	<b>-4,331</b>	<b>-3,908</b>	<b>-4,419</b>
<b>Net Cash Flow</b>	<b>-298</b>	<b>42</b>	<b>344</b>	<b>492</b>	<b>523</b>	<b>1,167</b>	<b>458</b>
<b>Opening Cash Bal.</b>	<b>669</b>	<b>372</b>	<b>414</b>	<b>758</b>	<b>1,249</b>	<b>1,772</b>	<b>2,939</b>
Forex differences	0	0	0	0	0	0	0
Add: Net Cash	-298	42	344	492	523	1,167	458
<b>Closing Cash Bal.</b>	<b>371</b>	<b>414</b>	<b>758</b>	<b>1,249</b>	<b>1,772</b>	<b>2,939</b>	<b>3,397</b>

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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

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