INSTITUTIONAL RESEARCH

Vishal Mega Mart

Operations well-oiled; PE supply overhang remains

Our key takeaways from VMM's analyst meet were: (1) double-digit SSSG remains the operating 'north star' for VMM; (2) store expansion is on track, with a line of sight on ~100 large-format stores (LFS) annually for the next 4 years (long-term target: ~2000 stores) and ~4,000 store runway additionally for its small-format stores. (3) supply chain investments will be stepped up - anchored on a four-hub national network and RFID tagging. This should drive cost efficiencies and tighten inventory control over time. While the recently extended term of Mr. Gunender Kapur (as Founder, MD & CEO) alleviates any near-term succession risk; the ~40% PE stake overhang remains (key monitorable). We bake in ~16%/19%/25% revenue/EBITDA/PAT CAGR (~80bps EBITDAM expansion) over FY26-29E; 10.6% in FY29). We maintain BUY with a DCF-based TP of INR140/sh (implying 44x Sep-28 EPS). Note: FY27/28 EPS estimates largely unchanged.

- **Double-digit SSSG remains the 'north star' for VMM:** Management expects 18-20% revenue growth over the next 2-3 years, driven by sustained double-digit SSSG (volume-led), and the balance by new store expansions (discussed below). Management intends to reinvest any GM gains to improve product quality and drive incremental volume gains to boost SSSG. We remain conservative and model an average SSSG of ~8% over FY27-29E. Overall, we expect revenue to compound at ~16.5% over FY26-29E.
- **Store expansion on track – 400 LFS in sight; small-format stores (SFS) widen the runway:** VMM currently operates a network of 833 stores and has a line of sight to hit ~400 more stores over four years (100 stores annually). Management sees room for 1,200 more additional LFS (17-18k sq. ft. average store size). Management highlighted that the ~8k sq. ft. SFS – operates at same revenue/sq. ft. and revenue mix as that of LFS – opens a further ~4,000 store runway for VMM. In UP and Haryana, where ~85-90% of the target audience is tapped, these SFS are being used to deepen micro-market density. A new format aimed at a slightly more affluent youth consumer is also in pilot (first store in Delhi). Management aims to add 100 LFS annually and SFS additions will be incremental to this guidance. We are building in ~105-110 stores annually over FY27-29E.
- **Supply chain investments – moving to four national hubs:** VMM currently operates one central distribution center, which holds 6-7 days of inventory, alongside 17 third-party regional warehouses located on the outskirts of key consumption clusters, with each warehouse serving ~60-65 stores. The company is now transitioning to a four-hub model, with one hub serving each region. A ~600k sq. ft. DC is already operational in Haryana, while the East, South and West hubs are expected to follow. At 60-65 stores per node (currently), the existing 17 regional distribution centers could potentially support ~1,000-1,100 stores. The four-hub model should, therefore, provide the capacity to scale the network beyond ~1,000 stores, while improving network efficiency and lowering logistics cost per store in the long run.
- **On margins and category performance:** RM inflation, particularly from crude-linked inputs, is likely to exert some pressure on margins, although management expects vendor partners to absorb half of the impact. Price hikes will remain selective, with opening price point products largely protected to preserve VMM's value proposition. The digital commerce vertical currently accounts for 5% of total revenue. Note: 20% of digital commerce customers are first time VMM shoppers. However, as the digital channel scales up, its higher grocery mix (~70%) is likely to remain dilutive to gross margins vs the offline portfolio. Management also indicated that any GM gains from scale-led efficiencies will be reinvested into improving product quality, limiting the scope for GM expansion. We, therefore, build in ~80bps pre-Ind AS EBITDAM

BUY

CMP *(as on 24 Sep 2026)*	INR 105
Target Price	INR 140
NIFTY	23,063

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 135	INR 140
EPS %	FY27E	FY28E
	+0.5	+0.2

KEY STOCK DATA

Bloomberg code	VMM IN
No. of Shares (mn)	4,685
MCap (INR bn) / ($ mn)	494/5,149
6m avg traded value (INR mn)	1,539
52 Week high / low	INR 152/99

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.4)	(1.4)	(28.5)
Relative (%)	(6.9)	(0.7)	(18.5)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	40.12	40.09
FIs & Local MFs	32.73	32.80
FPIs	22.01	20.43
Public & Others	5.14	4.68
Pledged Shares	0	0

Source : BSE

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expansion over FY26–29E, primarily led by SSSG-led operating leverage. On category performance, apparel continues to anchor VMM's portfolio (~44% of the mix), but FMCG has emerged as the key growth driver, delivering a strong 25.4% CAGR over FY22-26 vs 23.3% for overall revenue. We expect the category mix to remain broadly stable over FY26-29E.

- **Succession and PE-stake dilution overhang:** Kedaara Capital and Partners Group combined currently holds ~40% stake in VMM. While management has indicated that they remain long-term investors and do not have any immediate plans for further stake dilution, the sizeable PE holding remains an overhang and a potential source of supply in the medium term. Also, the reappointment of Mr. Gunender Kapur as founder, MD & CEO for another five-year term through Aug-31 alleviates near-term succession risk. However, at 65 years of age, Mr. Gunender Kapur's eventual succession remains a key monitorable.
- **Outlook:** VMM remains a best-in-class tier 2+ value retailer, maximizing consumer wallet share through a diversified mix and driving penetration via its private-label value offering. However, with promoters still holding ~40% stake (having already liquidated ~58%), the potential for a further PE divestment remains a medium-term supply overhang. Alongside this, the eventual succession of Mr. Gunender Kapur remains a key monitorable. We largely maintain our FY27/28 EPS estimates and our BUY rating with a DCF-based TP of INR140/sh, implying ~44x Sep-28 EPS.

Financial summary (INR mn)

Financial Summary	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Sales (INR mn)	55,885	75,860	89,119	1,07,163	1,29,063	1,52,399	1,77,626	2,03,748
EBITDA* (INR mn)	4,165	5,511	7,414	9,741	12,709	15,180	18,316	21,653
APAT (INR mn)	2,028	3,213	4,619	6,320	8,392	10,644	13,417	16,542
Dil. EPS (INR/sh)	0.5	0.7	1.0	1.4	1.8	2.3	2.9	3.5
P/E (x)	233.2	147.3	102.5	76.4	58.5	46.1	36.6	29.7
EV/EBITDA* (x)	113.2	85.7	63.7	48.7	37.3	30.5	24.4	19.8
ROE* (ex-goodwill, %)	33.1	35.8	35.8	33.1	29.7	26.8	24.4	22.4
ROIC* (ex-goodwill, %)	50.9	41.8	40.2	46.1	56.7	56.3	62.0	67.7
ROCE* (ex-goodwill, %)	21.9	29.0	36.7	35.5	31.2	26.7	24.4	22.3

Source: Company, HSIE Research

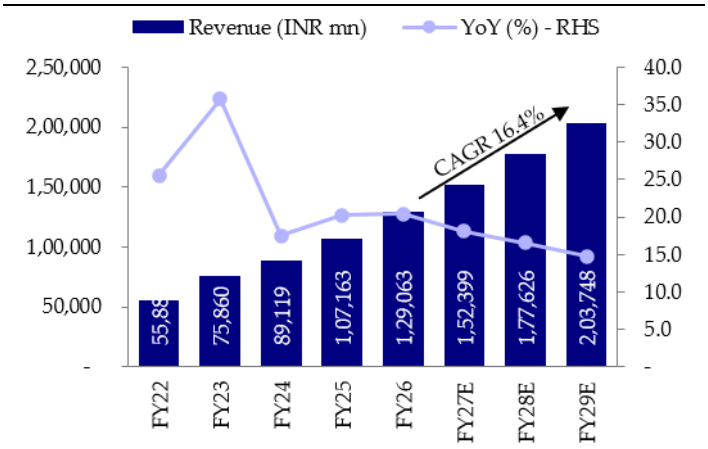
Estimate changes

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,52,399	1,52,399	*(0.0)*	1,77,626	1,77,626	*(0.0)*	2,03,748	2,03,748	*(0.0)*
Gross Profit	43,239	43,239	*(0.0)*	50,480	50,480	*(0.0)*	58,000	58,000	*(0.0)*
Gross Profit Margin (%)	28.4	28.4	***0 bps***	28.4	28.4	***0 bps***	28.5	28.5	***0 bps***
EBITDA	15,180	15,175	*0.0*	18,316	18,307	*0.1*	21,653	21,638	*0.1*
EBITDA margin (%)	10.0	10.0	***0 bps***	10.3	10.3	***1 bps***	10.6	10.6	***1 bps***
APAT	10,644	10,592	*0.5*	13,417	13,386	*0.2*	16,542	16,472	*0.4*
APAT margin (%)	7.0	7.0	***3 bps***	7.6	7.5	***2 bps***	8.1	8.1	***3 bps***
EPS (Rs)	2.3	2.3	*0.5*	2.9	2.9	*0.2*	3.5	3.5	*0.4*

Source: Company, HSIE Research

Focus Charts

We build in ~16% revenue CAGR over FY26-29E



Source: Company, HSIE Research

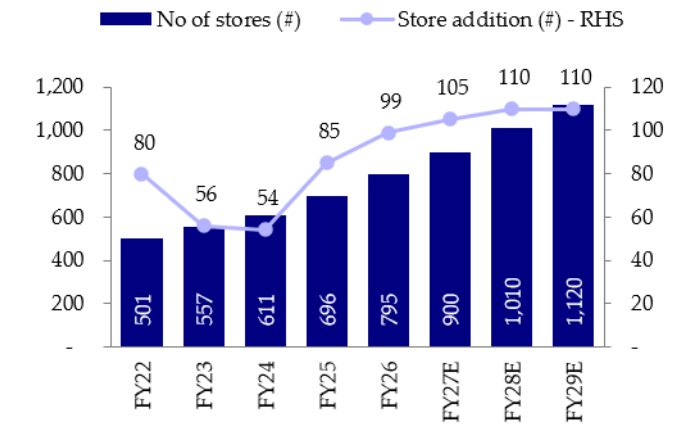
Apparel continues to anchor portfolio, albeit FMCG has been the primary growth driver over FY22-26

Revenue (INR mn)	FY22	FY23	FY24	FY25	FY26	FY22-26 CAGR (%)
Apparels	25,180	32,927	39,013	47,047	57,100	22.7
FMCG	14,057	20,320	24,473	29,738	34,804	25.4
GM	16,493	22,383	25,433	30,222	36,802	22.2
Total Retail Revenue	**55,729**	**75,630**	**88,919**	**1,07,006**	**1,28,706**	**23.3**

Revenue mix (%)	FY22	FY23	FY24	FY25	FY26	Change over FY22-26 (bps)
Apparels	45.1	43.4	43.8	43.9	44.4	-69
FMCG	25.2	26.8	27.5	27.7	27.0	189
GM	29.5	29.5	28.5	28.2	28.6	-92

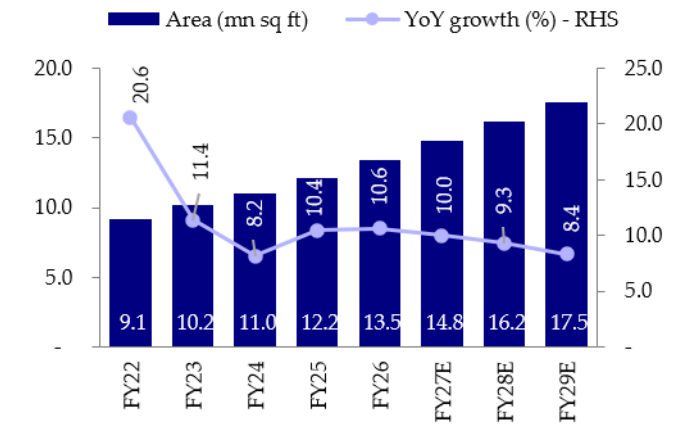
Source: Company, HSIE Research

We build in 105-110 store additions annually over FY27-29E



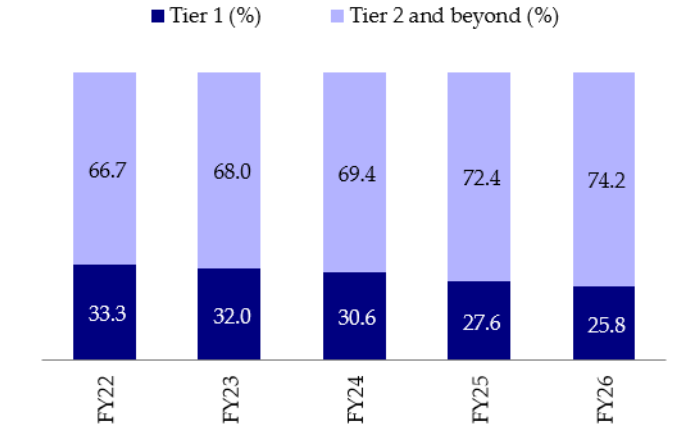
Source: Company, HSIE Research

Retail area to grow at ~10% CAGR over FY26-29E



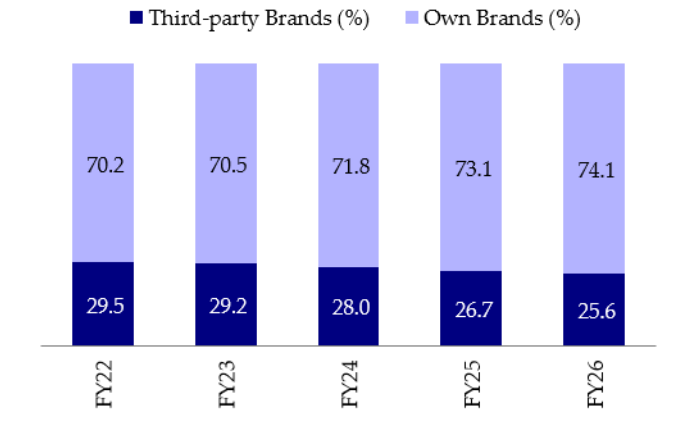
Source: Company, HSIE Research

VMM: Tier-wise store mix (%)



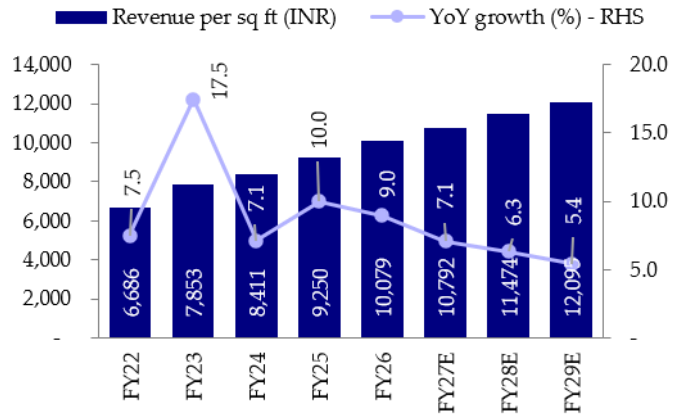
Source: Company, HSIE Research

VMM: Brand mix (%)



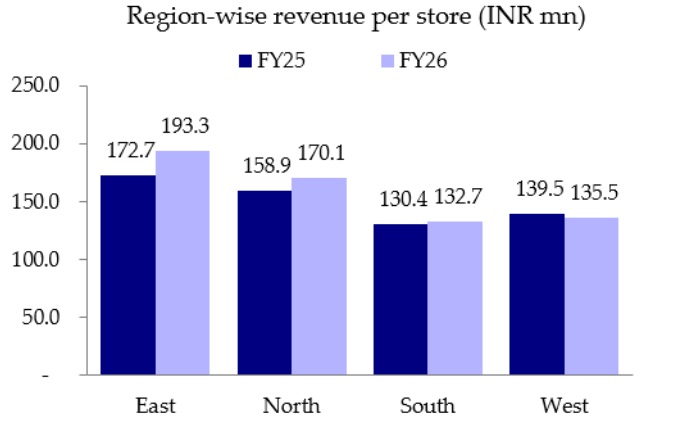
Source: Company, HSIE Research

Revenue/sq ft to grow at ~6% CAGR over FY26-29E, on ~8% average SSSG



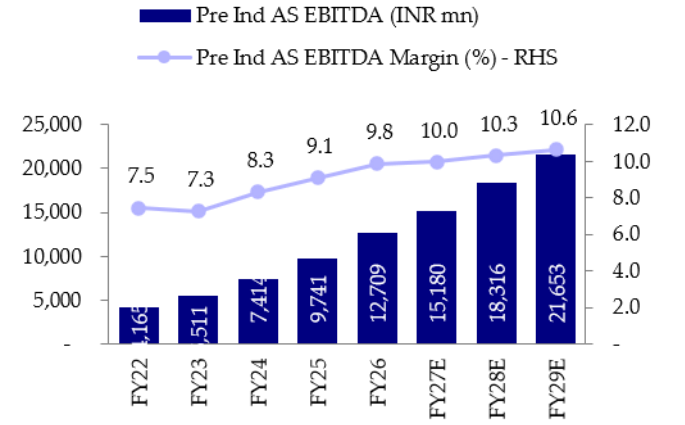
Source: Company, HSIE Research

North and East region continue to lead revenue per store; West is the only region to contract in FY26



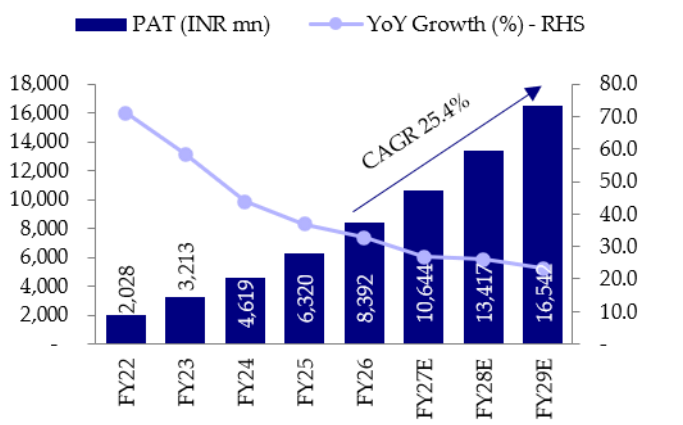
Source: Company, HSIE Research

We build in ~80bps pre-Ind AS EBITDAM expansion to 10.6% by FY29E



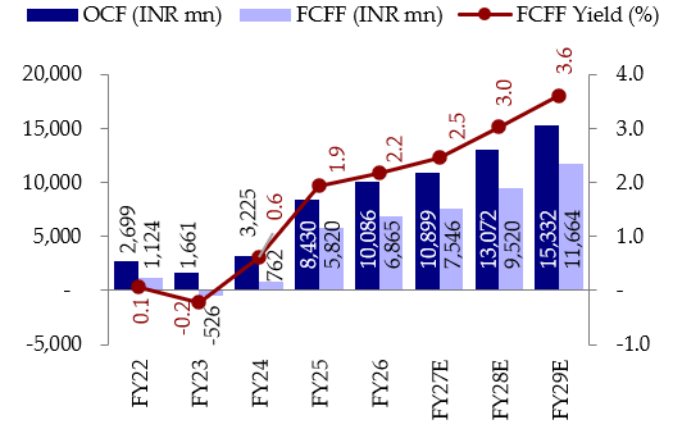
Source: Company, HSIE Research

PAT to grow at ~25% CAGR over FY26-29E



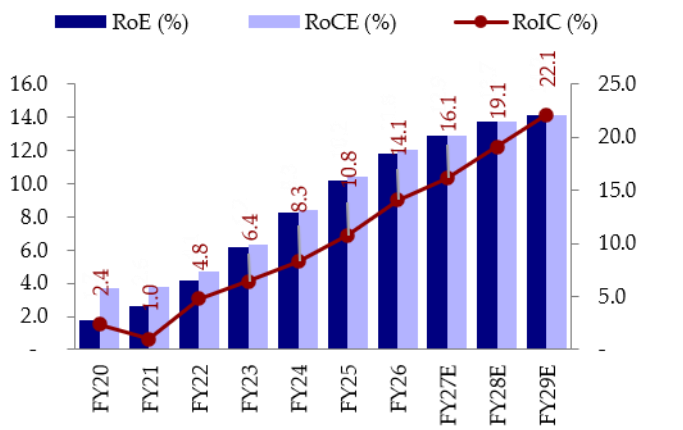
Source: Company, HSIE Research

We expect VMM to cumulatively generate ~INR39/29bn OCF/FCFF respectively over FY27-29E



Source: Company, HSIE Research

Expect RoIC to hit ~22% by FY29E



Source: Company, HSIE Research

Key takeaways from analyst meet

SSSG outlook

- The operational north star remains sustaining double-digit SSSG. This will be predominantly volume-led, with the company compounding volumes at 17-18% annually to drive the 10%+ SSSG, while the remaining revenue growth will be driven by new store additions.
- Management emphasized that double-digit SSSG is an annualized target and may not be achieved in every single quarter due to seasonal shifts.

Store expansion plans

- The company currently operates a network of 833 stores and has a line of sight for the rollout of ~400 new stores.
- Management remains confident that they can add 1,200 LFS, which typically has average store size of 17-18k sq. ft.
- Annual guidance for LFS additions stands at 100 stores per year.
- The newly introduced small-format model (~8k sq. ft. average store size) expands the TAM significantly, presenting a runway for an additional 4,000 stores.
- The rollout of these SFS will be incremental to the 100 store annual guidance provided for the LFS.
- In highly penetrated core markets like UP and Haryana, where the target demographic is ~85% tapped, the company is deploying the small format stores to drive deeper micro-market density.
- The unit economics of these small-format stores generate identical revenue/sq. ft. and maintain the same revenue mix as the large-format stores.

Margins and pricing

- While the business is likely to face headwinds from raw material inflation, ~50% of the impact is absorbed by vendor partners.
- To manage the remaining inflationary pressures, management may implement selective price hikes; however, there will be no price hikes on opening price points to protect the core value proposition.
- The consumer base continues to exhibit strong premiumization trends. Opening price points, which accounted for 60% of total sales four years ago, now represent just 20% of the overall sales mix as consumers trade up in aspiration.
- Any GM expansions realized through scale efficiencies are being reinvested into product quality enhancements.

Category tidbits

- General merchandise: Household essentials form 35%, Furnishing forms 25% and long-tail categories (toys, footwear, appliances, travel, stationary) for 40% of GM's revenue mix. Private labels account for 73-74% of the GM portfolio. Margin differential between private labels and national brands stands at 300-400bps. Focus remains on improving (1) newness (2) innovations, (3) functionality. All pricing and cost negotiations are done after assessing cost sheets of the supply chain.
- FMCG: 60% of volumes sold are private labels (35% in terms of sales). Margin differential is 10pp. Covered most categories. Will not offer private labels in select high indulgence categories (like chocolates soft drinks). Products are manufactured by category-leading or national-level contract manufacturers.

Supply chain and logistics infrastructure

- The current logistics architecture operates on a hub-and-spoke model supported by one central distribution center maintaining 6-7 days of inventory and 17 regional third-party warehouses.
- These 17 regional distribution centers are positioned on the outskirts of high-density retail clusters, with each facility servicing a network of 60 to 65 stores.
- To capture operational efficiencies as the business scales outside of its legacy northern markets, the company will have four distribution centers in the north, east, west, and south India.
- Execution of this transition is underway, with a new 600k sq. ft. distribution center operational in Haryana. Subsequent distribution centers will be launched in eastern India, southern India (near Bengaluru), and finally in western India.

Technology implementation

- The company is rolling out RFID technology across its merchandise to tighten inventory control and streamline store operations.
- While each RFID tag incurs a cost of INR 15, implementation will be restricted to articles priced above INR 200. To dilute the per-unit tagging expense, each tag will be recycled 10 to 15 times.

Digital commerce

- The digital commerce vertical currently accounts for 5% of total revenues and operates at cash break-even.
- The omnichannel network is now active across 500+ towns.
- Execution metrics remain strong, fulfilling orders within a 2-hour SLA while keeping delivery delays below 2%.
- The digital channel's revenue mix is heavily skewed toward grocery (70% grocery vs. 30% non-grocery). Consequently, this channel is GM-dilutive when compared to the broader offline portfolio.
- Despite the margin dilution, management views digital commerce as an essential operational imperative. Following its launch, 20% of all digital buyers were entirely new customers to the brand, cementing the platform as a vital customer acquisition funnel.

Management succession and ownership structure

- Private equity sponsors Kedaara Capital and Partners Group recently executed a 14% stake sale at an exit price of INR 117 (representing an 8% discount to the prevailing market price), bringing their combined holding down to ~40%.
- Management relayed that the promoters intend to remain invested for the long term with no secondary stake sales on the immediate horizon.

Income Statement

Year End (March)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	**55,885**	**75,860**	**89,119**	**1,07,163**	**1,29,063**	**1,52,399**	**1,77,626**	**2,03,748**
Growth (%)	25.5	35.7	17.5	20.2	20.4	18.1	16.6	14.7
COGS	40,146	55,263	64,461	76,636	92,382	1,09,160	1,27,146	1,45,748
Employee Expense	3,377	4,318	5,047	6,406	7,283	8,524	9,846	10,989
A&P Expense	346	584	596	538	684	808	941	1,080
Rent	173	201	298	432	669	789	831	954
Other Expenses	3,807	5,289	6,232	7,849	9,209	10,859	12,319	14,028
EBITDA	**8,037**	**10,205**	**12,486**	**15,302**	**18,836**	**22,259**	**26,543**	**30,949**
EBITDA Growth (%)	**31.8**	**27.0**	**22.3**	**22.6**	**23.1**	**18.2**	**19.2**	**16.6**
EBITDA Margin (%)	**14.4**	**13.5**	**14.0**	**14.3**	**14.6**	**14.6**	**14.9**	**15.2**
Pre IND AS EBITDA	**4,165**	**5,511**	**7,414**	**9,741**	**12,709**	**15,180**	**18,316**	**21,653**
Pre IND AS EBITDA Growth (%)	**147.3**	**32.3**	**34.5**	**31.4**	**30.5**	**19.4**	**20.7**	**18.2**
Pre Ind AS EBITDA Margin (%)	**7.5**	**7.3**	**8.3**	**9.1**	**9.8**	**10.0**	**10.3**	**10.6**
Depreciation	4,056	4,614	5,173	5,902	6,734	7,401	8,074	8,647
EBIT	**3,981**	**5,591**	**7,313**	**9,399**	**12,102**	**14,858**	**18,469**	**22,303**
EBIT - Pre IND AS	**3,008**	**4,349**	**6,032**	**8,076**	**10,767**	**12,955**	**15,760**	**18,769**
Other Income (Including EO Items)	653	329	332	586	863	1,252	1,523	2,037
Interest	1,938	1,614	1,435	1,492	1,715	1,886	2,061	2,234
Interest - Pre IND AS	728	334	93	33	18	19	21	23
PBT	**2,696**	**4,305**	**6,210**	**8,493**	**11,250**	**14,225**	**17,930**	**22,106**
Total Tax	669	1,093	1,590	2,173	2,858	3,580	4,513	5,564
PAT before share of associate earnings	**2,028**	**3,213**	**4,619**	**6,320**	**8,392**	**10,644**	**13,417**	**16,542**
Share of associate earnings	-	-	-	-	-	-	-	-
RPAT	**2,028**	**3,213**	**4,619**	**6,320**	**8,392**	**10,644**	**13,417**	**16,542**
Exceptional Gain/(loss)	-	-	-	-	-	-	-	-
Adjusted PAT	**2,028**	**3,213**	**4,619**	**6,320**	**8,392**	**10,644**	**13,417**	**16,542**
APAT Growth (%)	**71.0**	**58.4**	**43.8**	**36.8**	**32.8**	**26.8**	**26.0**	**23.3**
Adjusted EPS (Rs)	**0.5**	**0.7**	**1.0**	**1.4**	**1.8**	**2.3**	**2.9**	**3.5**
EPS Growth (%)	**70.3**	**58.3**	**43.7**	**34.2**	**30.6**	**26.7**	**26.0**	**23.3**

Balance Sheet

Year End (March)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
SOURCES OF FUNDS								
Share Capital - Equity	45,033	45,066	45,087	45,974	46,731	46,731	46,731	46,731
Reserves	3,219	6,495	11,131	18,039	27,401	40,310	57,738	78,591
Total Shareholders' Funds	**48,252**	**51,561**	**56,218**	**64,013**	**74,133**	**87,041**	**1,04,469**	**1,25,323**
Long Term Debt	4,037	922	-	-	-	-	-	-
Short Term Debt	938	413	-	-	-	-	-	-
Total Debt	**4,974**	**1,335**	**-**	**-**	**-**	**-**	**-**	**-**
Net Deferred Taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Non-current Liabilities & Provns	**12,921**	**13,281**	**14,834**	**17,294**	**19,880**	**19,601**	**19,269**	**18,779**
TOTAL SOURCES OF FUNDS	**66,147**	**66,177**	**71,052**	**81,307**	**94,012**	**1,06,642**	**1,23,739**	**1,44,102**
APPLICATION OF FUNDS								
Net Block	4,157	4,720	6,000	7,055	8,137	9,265	10,261	11,045
CWIP	111	685	383	136	336	336	336	336
Other Non-current Assets	56,895	57,534	58,957	61,721	64,687	64,437	64,139	63,699
Total Non-current Assets	**61,164**	**62,940**	**65,340**	**68,913**	**73,161**	**74,038**	**74,737**	**75,081**
Inventories	12,160	14,907	14,650	18,503	20,170	23,817	27,760	31,842
Debtors	23	42	317	664	278	329	383	439
Other Current Assets	2,506	2,958	3,565	3,341	3,746	4,184	4,877	5,594
Cash & Equivalents	**6,326**	**2,043**	**1,189**	**8,509**	**17,139**	**28,190**	**43,857**	**63,120**
Total Current Assets	**21,016**	**19,949**	**19,721**	**31,018**	**41,334**	**56,520**	**76,877**	**1,00,995**
Creditors	14,606	15,008	12,200	14,786	16,188	19,115	22,279	25,555
Other Current Liabilities & Provns	1,427	1,704	1,808	3,838	4,294	4,801	5,596	6,419
Total Current Liabilities	**16,033**	**16,712**	**14,009**	**18,624**	**20,482**	**23,916**	**27,875**	**31,974**
Net Current Assets	4,983	3,237	5,712	12,394	20,852	32,604	49,002	69,021
TOTAL APPLICATION OF FUNDS	**66,147**	**66,177**	**71,052**	**81,307**	**94,012**	**1,06,642**	**1,23,739**	**1,44,102**

Cash Flow Statement

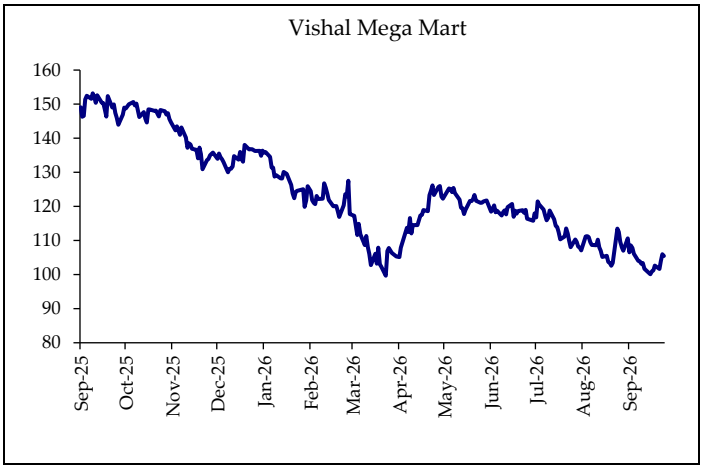
Year ending March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Reported PBT	2,696	4,305	6,210	8,493	11,250	14,225	17,930	22,106
Non-operating & EO Items	(182)	(278)	(339)	(4)	(608)	(1,252)	(1,523)	(2,037)
Interest Expenses	1,938	1,614	1,435	1,492	1,715	1,886	2,061	2,234
Depreciation	4,056	4,614	5,173	5,902	6,734	7,401	8,074	8,647
Working Capital Change	(1,238)	(2,656)	(2,685)	507	377	(701)	(731)	(757)
Tax Paid	(700)	(1,245)	(1,497)	(2,400)	(3,255)	(3,580)	(4,513)	(5,564)
OPERATING CASH FLOW (a)	**6,571**	**6,355**	**8,297**	**13,991**	**16,213**	**17,978**	**21,299**	**24,629**
Capex	(1,575)	(2,187)	(2,463)	(2,610)	(3,221)	(3,353)	(3,553)	(3,667)
Free Cash Flow (FCF)	4,996	4,168	5,834	11,381	12,992	14,625	17,746	20,961
Investments	1,800	3,909	1,086	(3,563)	(6,727)	-	-	-
Non-operating Income	47	51	76	68	68	1,252	1,523	2,037
INVESTING CASH FLOW (b)	**272**	**1,773**	**(1,301)**	**(6,105)**	**(9,879)**	**(2,101)**	**(2,029)**	**(1,630)**
Debt Issuance/(Repaid)	(4,665)	(5,253)	(2,769)	(1,492)	(1,715)	(1,886)	(2,061)	(2,234)
FCFE	331	(1,085)	3,065	9,889	11,277	12,739	15,685	18,727
Share Capital Issuance	222	22	18	897	1,241	-	-	-
Dividend	-	-	-	-	-	-	-	-
Others	(2,662)	(3,414)	(3,831)	(4,191)	(4,529)	(2,940)	(1,542)	(1,502)
FINANCING CASH FLOW (c)	**(7,105)**	**(8,645)**	**(6,582)**	**(4,786)**	**(5,003)**	**(4,826)**	**(3,603)**	**(3,736)**
NET CASH FLOW (a+b+c)	**(262)**	**(517)**	**415**	**3,100**	**1,331**	**11,051**	**15,667**	**19,262**
EO Items, Others								
Closing Cash & Equivalents	2,158	1,692	1,189	4,637	5,949	17,000	32,667	51,929

Key Ratios

	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
PROFITABILITY (%)								
GPM	28.2	27.2	27.7	28.5	28.4	28.4	28.4	28.5
EBITDA Margin	14.4	13.5	14.0	14.3	14.6	14.6	14.9	15.2
EBIT Margin	7.1	7.4	8.2	8.8	9.4	9.7	10.4	10.9
APAT Margin	3.6	4.2	5.2	5.9	6.5	7.0	7.6	8.1
RoE	4.3	6.4	8.6	10.5	12.1	13.2	14.0	14.4
RoIC (or Core RoCE)	5.1	6.7	8.1	9.8	12.1	14.3	17.5	20.7
RoCE	5.3	6.7	8.3	9.8	11.0	12.0	13.0	13.6
RoE*	4.1	6.2	8.3	10.2	11.8	12.9	13.7	14.2
RoIC (or Core RoCE)*	4.8	6.4	8.3	10.8	14.1	16.1	19.1	22.1
RoCE*	4.7	6.3	8.4	10.4	12.0	12.9	13.7	14.1
EFFICIENCY								
Tax Rate (%)	24.8	25.4	25.6	25.6	25.4	25.2	25.2	25.2
Fixed Asset Turnover (x)	6.3	7.3	6.9	7.2	7.3	7.3	7.3	7.2
Inventory (days)	79.4	71.7	60.0	63.0	57.0	57.0	57.0	57.0
Debtors (days)	0.2	0.2	1.3	2.3	0.8	0.8	0.8	0.8
Other Current Assets (days)	16.4	14.2	14.6	11.4	10.6	10.0	10.0	10.0
Payables (days)	95.4	72.2	50.0	50.4	45.8	45.8	45.8	45.8
Other Current Liab & Provns (days)	9.3	8.2	7.4	13.1	12.1	11.5	11.5	11.5
Cash Conversion Cycle (days)	(8.8)	5.7	18.5	13.2	10.5	10.6	10.6	10.6
Net D/E (x)	(0.03)	(0.01)	(0.02)	(0.13)	(0.23)	(0.32)	(0.42)	(0.50)
Interest Coverage (x)	2.1	3.5	5.1	6.3	7.1	7.9	9.0	10.0
PER SHARE DATA (Rs)								
EPS	0.5	0.7	1.0	1.4	1.8	2.3	2.9	3.5
CEPS	12.2	14.0	16.0	18.4	21.2	23.6	26.2	28.5
Dividend	-	-	-	-	-	-	-	-
Book Value	139.3	148.9	162.3	184.8	214.1	251.3	301.7	361.9
VALUATION								
P/E (x)	233.2	147.3	102.5	76.4	58.5	46.1	36.6	29.7
P/BV (x)	0.8	0.7	0.6	0.6	0.5	0.4	0.3	0.3
EV/EBITDA* (x)	113.2	85.7	63.7	48.7	37.3	30.5	24.4	19.8
EV/Revenues (x)	8.4	6.2	5.3	4.4	3.7	3.0	2.5	2.1
OCF/EV (%)	1.4	1.3	1.8	3.0	3.4	3.9	4.8	5.8
FCF/EV (%)	1.1	0.9	1.2	2.4	2.7	3.2	4.0	4.9
FCFE/Mkt Cap (%)	0.1	(0.2)	0.6	2.0	2.3	2.6	3.2	3.8
Dividend Yield (%)	-	-	-	-	-	-	-	-

Source: Company, HSIE Research

Price Movement



Rating Criteria

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: >10% Downside return potential

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