

Senco Gold Ltd.

An opportunity to give golden touch to investment portfolio

Senco Gold Ltd. (Senco) is a pan-India jewellery retail player with dominance in Eastern India, is coming up with an IPO to raise around Rs. 4 bn, which opens on 4th July and closes on 6th July 2023. The price band is Rs. 301 - 317 per share.

Summary of the IPO:

- The IPO is a combination of fresh issue and OFS portion. Of the fresh issue net proceeds, Rs. 1.96 bn will be utilised for funding working capital & residual will be used for general corporate purpose.

Largest organized jewellery retail player in the eastern India with strong business model

- Senco is the largest jewellery retail player in Eastern region based on number of stores. Company has a **retail network of 136 showrooms including 61 franchise and rest 75 company owned showrooms**. Senco has over 4.50 lakh sq ft of retail space with store network in 13 Indian states/UTs across 96 cities. Company has ~63% of its showroom in West Bengal. **Company follow a mix of own store as well as asset light franchise route for expansion**. Senco focus on attaining an optimal balance between owned showrooms and expanding their asset-light franchisee model.
- Company primarily sells gold and diamond jewellery and also sell jewellery made of silver, platinum and precious and semi-precious stones and other metals.
- Company has a strong IT system which provides connectivity across the business functions. Inventory for both for company operated showrooms and franchisee showrooms is bar-coded and monitored and **controlled through our ERP**.

Strong brand name with heritage and legacy of over five decades & a trusted jewellery brand

- Senco has **legacy of over five decades** and is now the largest organised jewellery retail player in Eastern region of India based on number of stores.
- Senco now has customised showroom formats catering to all segments of customers. Company has bouquet of brands like Everlite (lightweight), Gossip (Silver and Fashion), Vivaha (Bridal), Perfect Love (Solitaire Diamonds) and Aham (Mens).
- Company stringently follow the hallmarking process for the gold jewellery**. All the diamonds, comprising jewellery and loose diamonds are certified by SGL Labs.
- Company has been consistently in the league of most trusted jewellery brands and have **improved its ranking from 4th most trusted jewellery brand by TRA's Brand Trust Report 2017 to 2nd most trusted jewellery brand by TRA's Brand Trust Report 2020**. Senco has been awarded the 2nd most trusted brand in jewellery category for the past three years in India by TRA and the **Best Brand in Jewellery Category by The Economic Times in 2021**.

Experienced Management Team and institutional investor support

- Mr Suvankar Sen (MD & CEO) has 22 plus experience in the jewellery industry. Mr Sen is supported by Mrs Ranjana Sen (Chairperson & WTD) and Mrs Joita Sen (WTD).
- Mrs Ranjana Sen has over 28 years of experience in jewellery industry Mrs Joita Sen has over 10 years of experience in the designing and marketing.
- The management team is supported by an experienced professional CFO Mr Sanjay Banka who has 20+ years of professional experience.
- Company also got benefitted from the experience and support of **SAIF Partners India IV Limited, who have been invested in the company since 2014 and Oman India Joint Investment Fund II, who has invested in the company in 2022**. Mr Vivek Kumar Mathur (Non-Executive Nominee Director) from SAIF Partners PE is also on the board of Senco.

Strong financial track record with consistent dividends and robust return ratio's

- The company has crossed sales of over Rs 40 bn in FY23 with Revenue/EBITDA/PAT CAGR of 23.80%/ 35.34%/ 60.55% over FY21-23.**
- Company has robust return ratio with ROE of 18.9% and ROCE of 14.2% at the end of FY23.
- Company works with some of the leading reputed banks in India.
- Company has strong credit rating with a rating of **"ICRA A" for working capital facilities with a stable outlook for long term facilities and a rating of "ICRA A2+" for short term facilities**.
- Free cash flow is mostly deployed in inventory for growth and expansion.

Conclusion:

Senco with its strong brand name and a legacy of over five-decade is well placed to benefit from the expected growth rate in the jewellery industry and also benefit from structural shift from un-organised to organised sector. Company has demonstrated one of the best financial performances among peers. Hence, based on current performance, **we assign SUBSCRIBE for listing gain**. At higher price band, **Senco is commanding a P/E multiple of 13.9x (on FY23 EPS on upper price band)**, which is lower than the peer average. Thus the IPO is attractively priced.

Key financials and operating metrics (Consolidated)

In Rs Mn	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj.PAT	PAT (%)	EPS	ROE (%)	ROCE (%)
FY21	26,604	9.9	1,753	6.6	608	2.3	8.80	10.5	13.3
FY22	35,346	32.9	2,772	7.8	1,299	3.7	18.8	19.6	18.2
FY23	40,774	15.4	3,166	7.8	1,580	3.9	22.85	18.9	16.3

Source: Company, SMIFS research



Rating: SUBSCRIBE

Issue Details

Issue Opens	4 th July 2023
Issue Closes	6 th July 2023
Issue Size (Rs Mn)	4,050
Fresh Issue (Rs Mn)	2,700
Offer for Sale (Rs Mn)	1,350
Price Band (Rs)	301-317
No. of shares on Offer (In Mn)	8.52-8.97
QIB (%)	50%
Retail (%)	35%
Minimum lot size (no. of shares)	47
Application money Rs.	14,899 per lot
MCAP at higher price band	Rs. 24,620 Mn

Source: Company, SMIFS research

Shareholding pattern (%)

	Pre Issue	Post Issue
Promoter	76.92%	68.48%
Public/others	23.08%	31.52%

Source: Company



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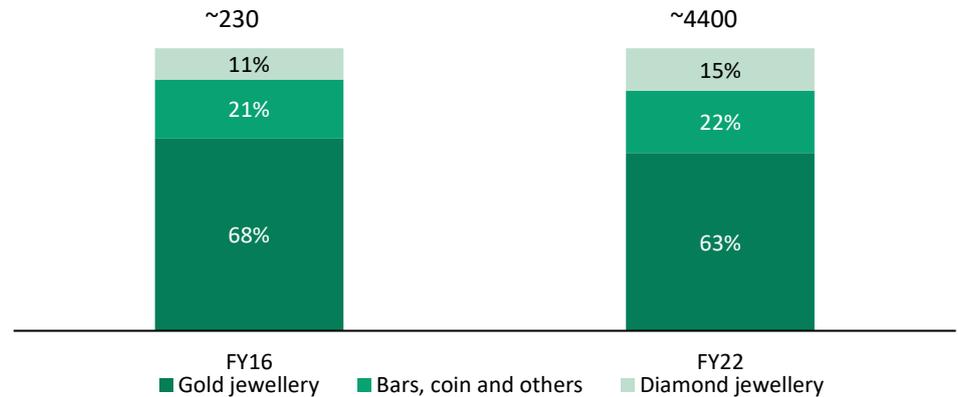
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Industry Overview

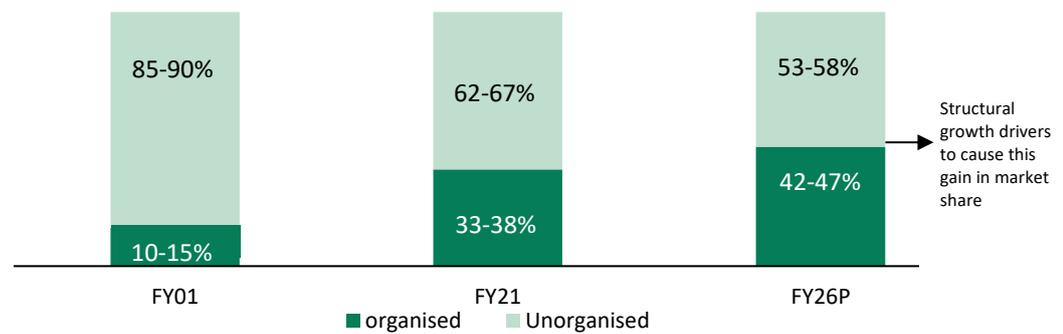
India's Gems and Jewellery market total addressable market is ~Rs 4.4 trillion.

Fig 1: India's Gem and Jewellery sector growing at 11% CAGR (In INR Bn)



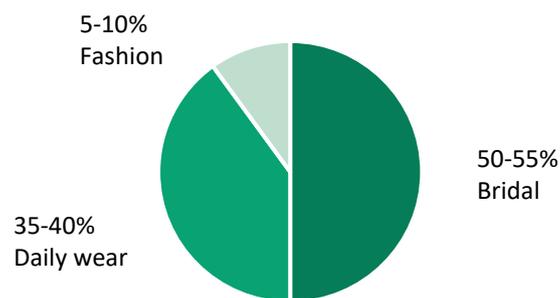
Source: Company, SMIFS Research

Fig 2: Share of Organised Sector increasing consistently and likely to touch ~40-50% by FY26



Source: Company, SMIFS Research

Fig 3: Bridal Jewellery Constitutes Large Pie-Gold demand by jewellery type for FY22



Source: Company, SMIFS Research

Fig 4: Organised players grew at ~15% CAGR vs ~11% for the industry over FY16-22



Source: Company, SMIFS Research

Gold jewellery demand in volume terms will likely improve over the next five years

Over the long term, with improving economic growth, rising urbanisation, and increasing disposable income levels, more weddings are likely to boost jewellery demand. Mandatory hallmarking of gold jewellery is also expected to be positive for the industry, especially organised players in the long term.

Jewellery retailing market in India

In India, jewellery is retailed through three formats: national chain stores, regional chain stores and local standalone stores. A national chain store is the one which operates several stores across India, and a regional chain store operates several stores in a particular state or region. The jewellery market is split between products for women, as well as children and men, with jewellery for women forming the major share. However, large organised retailers also have dedicated jewellery lines for men.

Unorganised players dominate but organised rapidly gaining market share

The jewellery retailing industry in India has traditionally been dominated by family-owned small-size standalone stores, which are operated largely on trust and referred to as unorganised players. Organised players, face competition from both the organised and unorganised sectors of the jewellery retail business. Until about two decades ago, these standalone jewellers accounted for ~90% of the domestic industry. Though this segment continues to account for a majority of the industry even today, the organised segment has grown rapidly in recent years and gained substantial market share (~33-38% as of FY21). The rest of the market is made up of independent jewellery showrooms and small family-run operations.

Organised players also face competition in some regions from certain regional players. However, there are certain critical factors for entry into the business of manufacturing and retailing jewellery in India. Among the most important of these factors is the need for significant working capital to purchase gold and diamonds and the long-term relationships required to have access to adequate supplies of diamonds. Further, organised players have employed several techniques to increase their share. The organised jewellery retailers have introduced sophisticated advertising and sales campaigns, effective inventory management systems, better variety and designs, and raised the quality standards of the industry, which has aided this shift. Further, better service quality, supply chain efficiencies and enhanced transparency provide them an edge over standalone jewellers.

To capitalise on the shift in consumer demand to organised jewellers from the traditionally unorganised, many of brands like Tanishq, Kalyan, Malabar Gold, Joyalukkas have expanded their presence at a pan-India level. Apart from opening company-operated stores, many also adopted the asset-light, franchisee route for expanding their geographical presence. This reduced the capital expenditure (capex) requirement and enabled faster expansion. Additionally, jewellery is retailed through major departmental stores such as Shoppers Stop and Lifestyle through the shop-in-shop format. Several global brands such as Swarovski, Damas and Forevermark have also set up outlets in the country.

Key demand drivers for jewellery in India

1. **As a savings and investment vehicle-** Gold and gold jewellery, over the years, have become an important investment asset in India, providing liquidity and a hedge against inflation.
2. **Increasing share of the working population-** Increase in share of working population is driving demand for light-weight, daily-wear fashion jewellery is expected to rise further with the younger generation entering the workforce. This augurs well for jewellery retailers since this group accounts for the bulk of gold demand.
3. **Increasing disposable income-** Jewellery demand in India is largely driven by a rise in disposable incomes. Industry estimates and studies indicate that all other factors being equal, gold consumption enjoys a positive co-relation with rise in per capita income.
4. **Indian tradition-** Tradition is one of the drivers for domestic demand for gold since it is a part of many rituals. In India, it is considered auspicious to purchase gold during festivals, weddings and birth. The most important festival for gold buying is Diwali, which usually takes place in October or November. Akshaya Trithiya is another important festival. This is one of the most auspicious days in the Hindu calendar – usually late April/early May– and gold purchases on this day are considered auspicious.
5. **Bridal jewellery -** Jewellery consumption in India can be broadly categorised as bridal, daily wear and fashion jewellery. Weddings play an important role in jewellery demand since Indian culture necessitates purchase of jewellery during weddings.

About the company

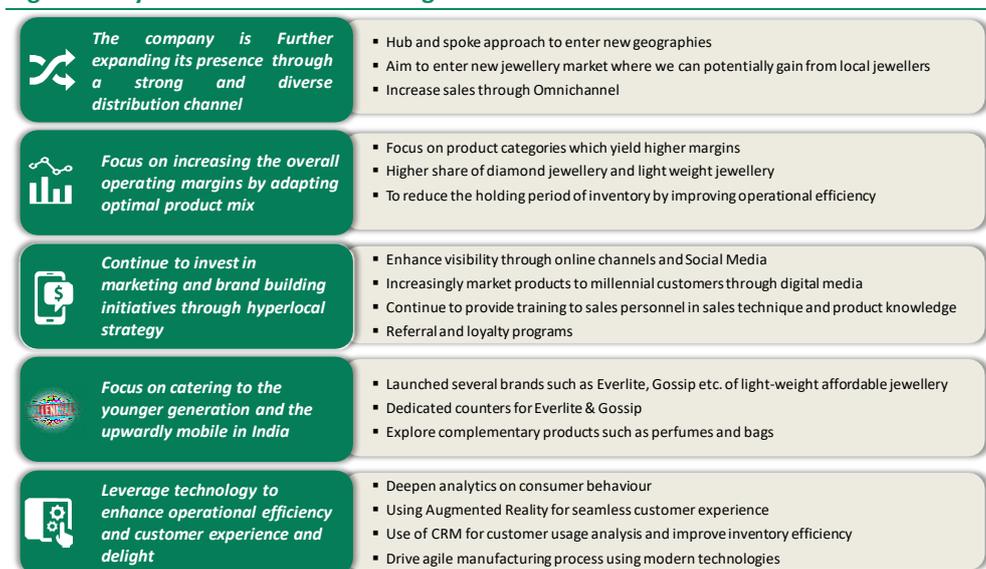
Senco is a pan-India jewellery retail player with a history of more than five decades. **Company is the largest organized jewellery retail player in the eastern region of India based on number of stores.** It primarily sells gold and diamond jewellery and also sells jewellery made of silver, platinum and precious and semi-precious stones and other metals. Other offerings also include costume jewellery, gold and silver coins and utensils made of silver. **Company's products are sold under the "Senco Gold & Diamonds" tradename,** through multiple channels, including 75 company operated showrooms and 61 franchisee showrooms and various online platforms, including its own website. Company's strategy of operating through multiple channels enables it to allocate capital as required, as it continue to expand geographic presence and work towards an omni channel network. **With a catalogue offering more than 1,20,000 plus designs for gold jewellery and more than 69,000 designs for diamond jewellery, company offer a large variety of designs of handcrafted jewellery,** most of which are designed and manufactured in-house by its own designers in close collaboration with skilled local craftsmen (generally termed Karigars) in Kolkata and across the country. Machine made light weight jewellery in gold and diamonds are also manufactured at company's own manufacturing facility based on designs prepared by the in-house designers and also sourced from third partner manufacturing vendors.

Future strategy & strengths of the company

Further expand presence through a strong and diverse distribution channel.

Company's operating model comprises a mix of physical Showrooms (both Company Operated and Franchisee Showrooms) and digital presence (through our own websites, mobile application and third party marketplaces), with our physical presence consisting of 75 Company Operated Showrooms and 61 Franchisee Showrooms. Senco uses a 'hub and spoke' approach to enter new geographies; which means that typically foray into large or new cities by way of the Company operated showrooms and then leverage the 'franchise' model to further penetrate into the smaller tier-II and tier-III locations. Accordingly, company intend to continue to open company operated showrooms in metro cities and tier-I cities and towns, including strengthening its presence in Kolkata and expanding in states where the presence is comparatively low with a focus on high growth.

Fig 5: Key Elements to drive future growth



Source: Company, SMIFS Research

Focus on increasing the overall operating margins by adapting optimal product mix

Company intend to continue to increase its gross margins by focusing on product categories which yield higher margins. It intends to prioritise diamond jewellery, as diamond studded jewellery typically involves higher gross margins than gold. Consumer demand for diamond jewellery in India has increased at relatively higher rates compared to the demand for gold jewellery. Company intend to further increase diamond jewellery sales as a portion of our overall sales, and thereby attempt to increase the overall profit margins. Senco intend to increase light-weight diamond jewellery sales through various initiatives such as the introduction of its own branded jewellery lines, development of light-weight products with competitive pricing, increasing the range of diamond jewellery to cater to customer segments such as younger generation and upwardly mobile in India, and advertising and promotional campaigns focused on diamond jewellery. In addition, consistent with its focus on increasing sales of diamond jewellery, company's showroom set-up ensures increased visibility for the diamond jewellery, including by way of separate display

counters for its Everlite brand and Perfect Love Diamond Solitaires collection. In line with this strategy, company also aim to reduce the holding period of its inventory by improving operational efficiency.

Presence with brands across a wide range of price points

Company has products across a wide range of price points which allows it to cater to different socio-economic classes across varied markets.

Some of the brands and collections of the company include:

Everlite:

Everlite is crafted for the modern Indian women catering to light weight collection targeting working women. Company's light-weight gold and diamond collection starts from approximately ₹ 5,000 and goes up to ₹ 60,000. The products offered with various collections named Denim, Venus, Nature, Tribe, Magnificence and Floral. The objective of such various collections is to promote daily usage of jewellery which is inspired from nature or geometrical shapes.

Gossip:

Company's 'Gossip' brand is made of sterling silver or base metal with precious and semi-precious stones, including zirconia, to cater to the silver jewellery needs of the customers. Senco launched 'Gossip' brand for fast-moving, fashionable and easy-to-wear jewellery. This gives the customers freedom to change their jewellery with varying clothes preferences at different occasions.

Aham:

Aham collection has been designed especially for the cosmopolitan man and can be used as part of daily wear as well as in social occasions. To cater to the needs of the male customers, company launched the Aham collection which offers a collection of rings, bracelets, cufflinks, ear-studs, chains and pendants in diamond, platinum, gold and silver.

The Vivaha Collection

The Vivaha Collection (marketed under the Senco-Di-wedding campaign) has a wide of range of jewellery for wedding in the family, including the bride, the groom and their respective the families. Vivaha collection includes intricate and exquisitely detailed designs in gold and diamonds. This collection offers an exclusive range of Filigree, Temple, Antique, Polki, Kundan and unique diamond collection. The product offerings include waistband, rings, Jhoomar, Nath, Haathphol, Maangtika, Necklace Set, Armband, Nose Pin, Hair Accessory, Bangles, Toe rings, Anklets, Nath, Sankha & Pola (Bangle), Kharu, Cheek and Long Chain are the accessories forming part of this collection.

Perfect Love Diamond Solitaires

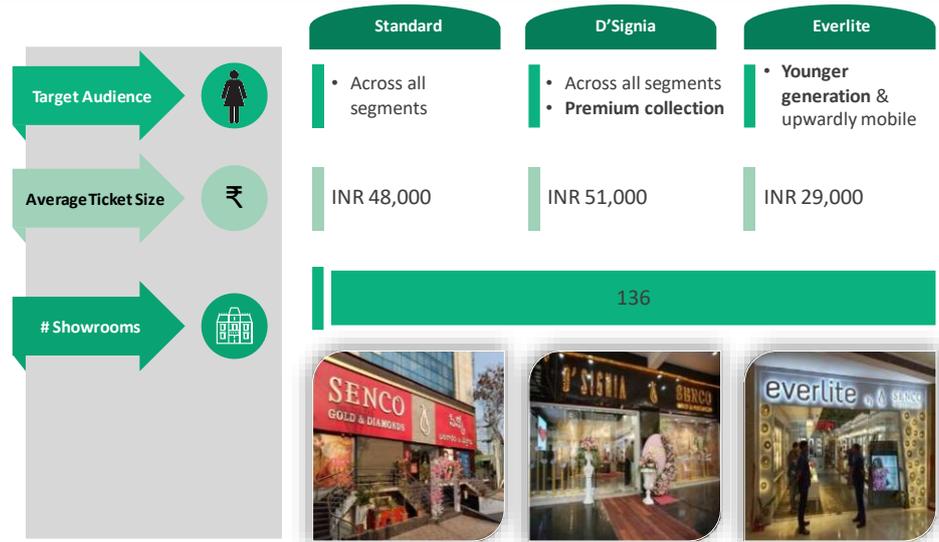
This collection offers exquisite range of solitaire earrings, rings, pendants, nose pins and single diamond studs. All the diamonds, comprising jewellery and loose diamonds are certified by SGL, and additionally, certain specific diamonds such as Hearts & Arrows cut diamonds are certified by GEMEX for brilliance. The Perfect Love collection is based on perfectly-cut Hearts & Arrows cut diamonds. It's colour, clarity, carat and cut ensure that it exudes maximum brilliance and exhibits a perfect symmetry of eight arrows.

Fig 6: Product Range Catering to Diverse Customer Group



Source: Company, SMIFS Research

Fig 7: Customized Showroom formats catering to all segments

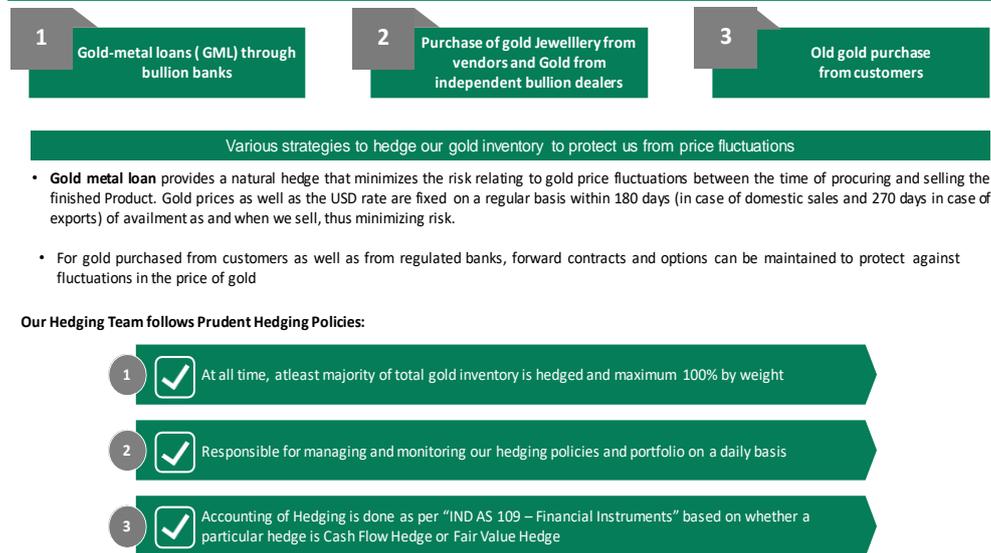


Source: Company, SMIFS Research

Efficient Inventory Management

Company has an efficient inventory management system. Each and every piece of jewellery at all locations are bar-coded, monitored and controlled manually as well as through our ERP. At the beginning of a financial year optimum showroom stock review is undertaken by the sales department and based upon the historical performance and stock turnover, the revised optimum stock level plan is shared with the production department, upon which the same is executed. As part of the inventory management, company also rotate jewellery between different showrooms in an effort to increase inventory turnover and avoid accumulation of slow-moving stock at certain Showrooms. Company also have end to end visibility and control of all inventory items once tagged by the sales team.

Fig 8: Risk management and Hedging



Source: Company, SMIFS Research

Fig 9: Experienced board backed by Institutional Investor support

Name	Designation	Profile
Mrs Ranjana Sen	Chairperson & Whole Time Director	Mrs Ranjana Sen has over 29 years of experience in the jewellery industry. She is Associated with the company since the incorporation of the company and holds a bachelor's degree in arts from the University of Calcutta.
Mr. Suvankar Sen	Managing Director & CEO	Mr. Suvankar has 17+ years of experience in the jewellery industry. He is Awarded CEO of the Year for Phygital Technology Impact at the Retail Jewellery MD & CEO Awards, 2022. He holds a PGDM degree-Institute of Management Technology, Ghaziabad.
Mrs. Joita Sen	Whole Time Director	Mrs. Joita Sen has over 10 years of experience in designing and marketing and Associated with the Company since 2009. She holds a degree in master's in arts from Presidency College, University of Calcutta.
Mr. Vivek Kumar Mathur	Non-Executive Nominee Director	Mr. Vivek Kumar is a Nominee of SAIF Partners. Previously served as the executive director for customer service at Dell International Services Private Limited and is currently a partner at Light Ray Advisors LLP. He holds a master's degree in business administration from the Graduate College of the University of Iowa.
Mr. Bhaskar Sen	Independent Director	Mr. Bhaskar Sen has an experience of more than four decades in the banking sector. Previously associated with United Bank of India as the Chairman and Managing Director, Bandhan Bank Limited as an independent director and Dena Bank as an executive director.
Ms. Shankar Prasad Halder	Independent Director	Ms. Shankar Prasad has over 30 years of experience in both wireline as well as wireless mobile and telecommunication service providers. Presently the founder and CEO of Pinnacle Digital Analytics Private Limited. Previously he worked with Escotel Mobile and Bharti Airtel.
Mr. Kumar Shankar Datta	Independent Director	Mr. Kumar Shankar has over 30 years of experience in finance, functional and project management in different corporate organizations. Chartered Accountant and Cost and Works Accountant.
Mrs. Suman Verma	Independent Director	Mrs. Suman Verma is an advertising and marketing professional with 10 years of experience. Earlier she was associated with J Walter Thompson (India), Rediffusion – Y & R (India) and Hamdard Laboratories (India). She holds a master's degree in comparative literature from Jadavpur University.
Mr. Sanjay Banka	CFO	Mr. Sanjay Banka has over 20 years of experience in the field of banking, corporate finance, company secretary, business strategy, M&A, taxation, IT implementation, and treasury. Chartered Accountant and Company Secretary. Earlier he was CFO of Landmark Group, Saudi Arabia, Bharat Road Network Limited, Merino Industries Ltd. and Aksh Optifibre Ltd. Previously he worked with Command, Usha Martin Telekom Limited (a Hutchinson joint venture), Reliance Communication Limited, Bharti Airtel Limited and Wireless TT Info Services Limited (a subsidiary of TATA Teleservices).
Mr. Surendra Gupta	CS and Compliance Officer and Legal head	Mrs. Surendra Gupta has more than 9 years of experience in the jewellery industry. He holds a bachelor's degree in commerce from the University of Calcutta, an L.L.B. degree from Magadh University and a degree in master of business laws from the National Law School of India University.

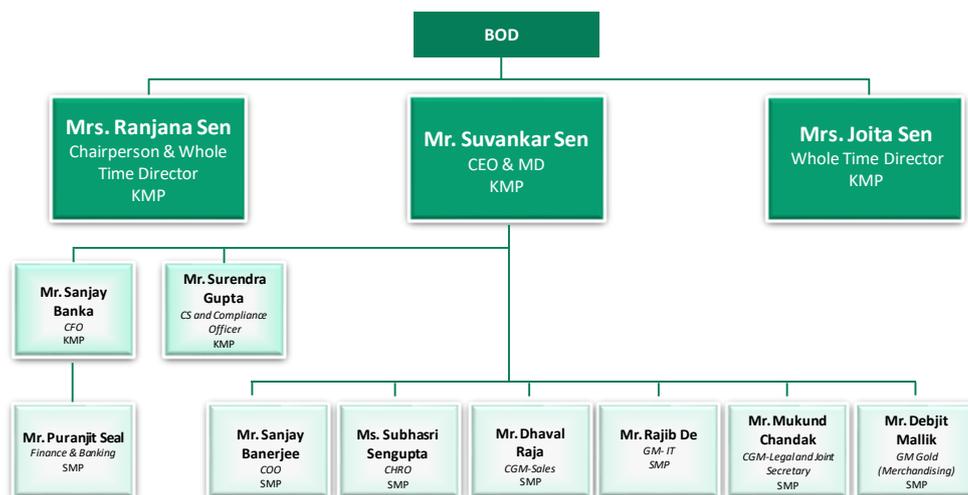


Fig 10: Growth Strategy

The rationale for expanding outside East India

- Expansion into New markets for balanced diversification of growth and to reduce geographical concentration risk
- While Senco is a market leader in East India; it plans to establish its brand in new markets for future growth

Exploring the Potential of West and South India

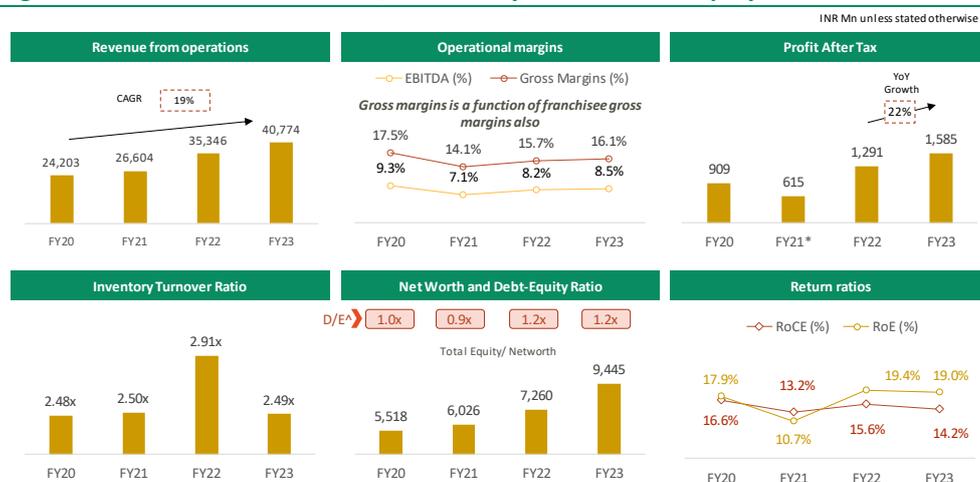
- Senco is focusing on expanding its business in East/ North East and North India
- While the company has established a limited number of outlets (8 out of 136) in the West and South, it is actively evaluating these markets to determine how best to approach future expansion.
- Senco plans to leverage the knowledge gained from these markets to determine the feasibility of pursuing growth and profitability in West and South India at a later stage.

Constant Monitoring

- Senco persistently tracks and improves the operational efficiency of its stores located outside East India, focusing on areas such as Omni Channel, design, training, and capital allocation. Additionally, if necessary, the company relocates stores to nearby hinterlands
- Even when it comes to the North India market, Senco has always believed in calibrated growth which would ensure that overall RoCEs don't suddenly fall due to store expansion
- Senco adopts a portfolio approach while looking at the corporate level, which is consistently growing in terms of top line, EBITDA, and PBT backed by the studied ratio

Source: Company, SMIFS Research

Fig 11: Consistent Revenue Growth, Profitability and Return on Equity



Notes:
 i. Gross margins = Gross profit divided by revenue from operations for the period; Gross profit is difference between summation of cost of materials consumed, purchase of stock-in-trade and changes in inventories of finished goods and stock-in-trade and revenue from operations for the period
 ii. EBITDA Margin = Earnings before interest, tax, depreciation and amortisation divided by total income
 iii. Inventory turnover ratio = Sales divided by Average Inventory; Average Inventory is calculated as the average of opening balance and closing balance for the period / year
 iv. Return on Capital Employed = Earnings before interest and taxes for the period/year divided by capital employed, where capital employed is computed as sum of total equity and borrowings (including accrued interest) as at the end of the period/year.
 v. Return on Equity=Profit after tax for the period / year divided by average total equity. Average total equity is calculated as average of opening and closing balance of total equity for the period / year.

Source: Company Presentation, SMIFS Research

Conclusion

Senco with its strong brand name and a legacy of over five-decade is well placed to benefit from the expected growth rate in the jewellery industry and also benefit from structural shift from un-organised to organised sector. Company has demonstrated one of the best financial performances among peers. Hence, based on current performance, **we assign SUBSCRIBE for listing gain**. At higher price band, Senco is commanding a **P/E multiple of 13.9x (on FY23 EPS on upper price band)**, which is lower than the peer average. Thus the IPO is attractively priced.

Fig 12: Peer Comparison based on FY23 Financials

In Rs Mn	CMP	Revenue	EBITDA	EBITDA margin	PAT	EPS	P/E
Titan Company Ltd	2985	405,750	48,790	12.0%	32,500	36.6	81.5
Kalyan Jewellers India Ltd	135	140,714	11,140	7.9%	4,580	4.45	30.3
Senco Gold Ltd	317*	40,774	3,166	7.8%	1,580	22.8	13.9
Thangamayil Jewellery Ltd	1495	31,559	1562	4.9%	797	58.1	25.7

Source: Company, SMIFS Research (Note- (*) at upper end of price band)

Financial Statements (Consolidated)

Income Statement			
YE March (Rs mn)	FY21	FY22	FY23
Revenues	26,604	35,346	40,774
Raw Materials	22,854	29,805	34,219
% of sales	85.9	84.3	83.9
Personnel	522	748	934
% of sales	2.0	2.1	2.3
Other Expenses	1,475	2,022	2,455
% of sales	5.5	5.7	6.0
EBITDA	1,753	2,772	3,166
Other Income	145	128	311
Depreciation & Amortization	396	421	456
EBIT	1,503	2,478	3,022
Finance cost	666	709	861
Core PBT	691	1,642	1,850
Exceptional items	0	0	0
PBT	837	1,770	2,162
Tax-Total	222	479	577
Effective tax rate (%)	26.5	27.0	26.7
PAT	615	1,291	1,585
OCI (Net of Tax)	-7	8	-4
PAT (post OCI)	608	1,299	1,580
Adjusted PAT	608	1,299	1,580

Source: Company, SMIFS Institutional Research Estimates

Key Ratios			
YE March (Rs mn)	FY21	FY22	FY23
Growth Ratio (%)			
Revenue	9.9	32.9	15.4
EBITDA	-20.3	58.1	14.2
Adjusted PAT	-36.3	113.7	21.6
Margin Ratios (%)			
Gross Profit	14.1	15.7	16.1
EBITDA	6.6	7.8	7.8
EBIT	5.6	7.0	7.4
Core PBT	2.6	4.6	4.5
Adjusted PAT	2.3	3.7	3.9
Return Ratios (%)			
Avg ROE	10.5	19.6	18.9
Avg ROCE	13.3	18.2	16.3
Turnover Ratios (days)			
Gross Block Turnover (x)	9.9	13.8	13.9
Adj OCF/Adj PAT (%)	428.4	13.8	17.5
Inventory	143	144	169
Debtors	4	4	4
Creditors	8	12	13
Cash conversion cycle	138	136	160
Solvency Ratio (x)			
Debt-equity	0.9	1.2	1.2
Net debt-equity	0.7	0.8	0.8
Gross Debt/EBITDA	3.0	3.1	3.7
Current Ratio	4.4	4.9	4.4
Interest coverage ratio	2.0	3.3	3.2

Balance Sheet			
YE March (Rs mn)	FY21	FY22	FY23
Sources of funds			
Capital	532	532	559
Reserves & Surplus	5,494	6,728	8,897
Shareholders' Funds	6,026	7,260	9,455
Total Loan Funds	5,324	8,630	11,772
Other liabilities	1,344	1,460	2,142
Total Liabilities	12,695	17,350	23,369
Application of funds			
Gross Block	2,487	2,628	3,229
Net Block	2,091	2,207	2,774
Capital WIP	24	65	131
Financial Assets	269	167	561
Other non current assets	528	549	578
Inventories	10,395	13,912	18,855
Sundry Debtors	276	394	454
Cash & Bank Balances	1,281	2,788	4,376
Other current Assets	730	919	1,326
Total Current Assets	12,681	18,014	25,010
Sundry Creditors	609	1,174	1,445
Other Current Liabilities	2,289	2,478	4,240
Total Current Liabilities	2,898	3,652	5,685
Net Current Assets	9,783	14,361	19,325
Total Assets	12,695	17,350	23,369

Source: Company, SMIFS Institutional Research Estimates

Cash Flow			
YE March (Rs mn)	FY21	FY22	FY23
Operating profit before WC changes	1,798	2,811	3,302
Net chg in working capital	432	(3,123)	(3,471)
Income tax Paid	(421)	(388)	(592)
Cash flow from operating activities (a)	1,809	-698.86	-761.03
Adj. OCF	2,604	179	276
Capital expenditure	-141	-247	-311
Adj FCF	2,463	-68	-35
Cash flow from investing activities (b)	-537	-1,571	-1,980
Debt	-429	3,305	3,142
Dividend	0	-147	-114
Interest & lease	-795	-878	-1,037
Cash flow from financing activities (c)	-1,224	2,280	2,741
Net chg in cash (a+b+c)	49	10	-1

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