October 8, 2024

The Manager
Corporate Relationship Department
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

BSE Scrip Code- 533267
Fax No.: 022-2272 3121/1278/1557/3354

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051

NSE Scrip Symbol: CANTABIL and Series: EQ
Fax No.: 022-26598237/38

Dear Sir,

Sub: Intimation of report issued by Ventura Securities Limited on Company's Focused Expansion in Tier 2 & 3 Cities to Drive Growth

We are pleased to present a brief report on the rapid retail expansion of the Company, prepared by Ventura Securities Limited (VSL), a registered intermediary with SEBI.

Request you to please take on records.

Thanking You

Yours faithfully
For Cantabil Retail India Limited

POONAM CHAHAL

Digitally signed by POONAM CHAHAL
DN: c=IN, o=Personal,
pseudonym=caY4zaqRSUYJ2Hkgd0tiYP7PL9iupaNV,
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cn=POONAM CHAHAL
Date: 2024.10.08 11:28:33 +05'30'

Poonam Chahal
Company Secreatry and Compliance Officer
FCS. 9872
Encl.: as above

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Cantabil Retail India Ltd

Focused Expansion in Tier 2 & 3 Cities to Drive Growth

For any further query, please email us on research@venturasecurities.com

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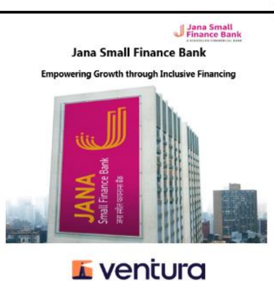
Our recent initiating coverage reports

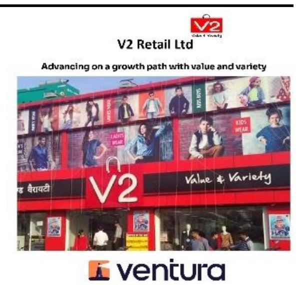


Jana SFB

Arvind Fashions

Raymond Lifestyle

Paytm



V2 Retail

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ventura

Cantabil Retail India Ltd

CANTABIL International Clothing

BUY @ CMP INR 239 | **Target: INR 502 in 24 months** | **Upside Potential: 110%**

Focused Expansion in Tier 2 & 3 Cities to Drive Growth

Cantabil India Ltd is set for rapid retail expansion. In our September 2022 coverage, we projected revenue/EBITDA/net profit at INR 734 cr/INR 206 cr/ INR 96.2 cr for FY24. However, due to softer consumer demand in the apparel and retail sector and a weaker festive season, the company has underperformed relative to these forecasts. We now anticipate growth of 17.5%/15.5%/9.3% in revenue/EBITDA/net profit, reaching INR 986 cr/INR 279 cr/INR 102 cr by FY27E.

The company's expansion in Tier 2 & 3 cities is the primary growth driver. Consumption patterns in these regions are evolving, with an increasing preference for organized retail channels. Additionally, higher penetration of retail consumption financing has driven greater demand for premium products. Cantabil, with its mid-premium brand positioning, is well-positioned to capitalize on this premiumization trend.

Cantabil's aggressive retail expansion strategy is evident in its store openings, with 58, 69, and 86 stores added in FY22, FY23, and FY24, respectively. The company plans to further expand, targeting approximately 650 stores by FY25, 700 stores by FY26, and 775 stores by FY27. Currently, the store ownership split is 75% company-owned-company-operated (COCO) and 25% franchisee-owned-franchisee-operated (FOFO). In future we expect more COCO stores being opened by the company, taking the COCO/FOFO split to 80:20. Additionally, Cantabil is focusing on opening larger stores, ~1600 sq. ft from an earlier average of 1200 sq.ft.

Ecommerce sales contributed 7.5% of total sales in FY24. The company aims for 8-10% of its sales to come from online by FY27, especially as e-commerce penetration grows in Tier 2 and Tier 3 cities, where demand for organized retail channels is increasing.

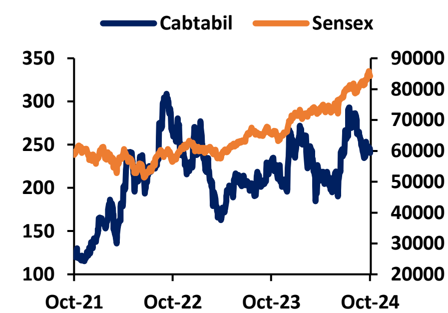
With the stated growth drivers, we initiate a BUY recommendation, targeting a price of INR 502 (41X FY27E P/E), representing an upside of 106.6% over 24 to 30 months.

Industry	Retail/Apparel

Scrip Details	
Face Value (INR)	2.0
Market Cap (INR Cr)	1,996
Price (INR)	243
No of Sh O/S (Cr)	8.4
3M Avg Vol (000)	417.2
52W H/L (INR)	852/400
Dividend Yield (%)	1.22

Shareholding (%)	Jun 2024
Promoter	74.1
Institution	4.5
Public	21.4
TOTAL	**100.0**

Price Chart



Key consolidated financial data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY23	553	164	64	29.6	11.6	7.7	26.5	30.4	46.5	31.1	12.3
FY24	616	163	60	26.4	9.8	7.2	39.1	19.1	33.9	33.0	12.1
FY25E	754	218	79	28.9	10.5	9.5	47.6	19.9	44.2	25.2	8.7
FY26E	866	246	89	28.4	10.3	10.7	57.2	18.7	44.2	22.4	7.5
FY27E	986	279	102	28.3	10.3	12.2	67.9	17.9	46.8	19.6	6.4

DCF valuation methodology

Cantabil India Retail Ltd consistently generates stable cash flows with minimal capex. Consequently, we have applied the DCF methodology to calculate the intrinsic value for FY27.

Using the DCF methodology, we have arrived at the FY27 final valuation of INR 502 per share (41X FY27 P/E).

Fig in INR cr, unless specified	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
FCFF	227	254	280	332	365	391	421	451	477
Discount Factor @ 12.4% WACC	1.00	0.89	0.79	0.70	0.63	0.56	0.49	0.44	0.39
Discounted FCFF	227	226	221	234	228	218	209	198	187
Total of Discounted FCFF	1948								
Terminal Value @ 3% growth	5207								
Present Value of Terminal Value	2038								
Enterprise Value	3986								
Net Debt	-211								
Intrinsic Value	4197								
Per Share Price (INR)	502								

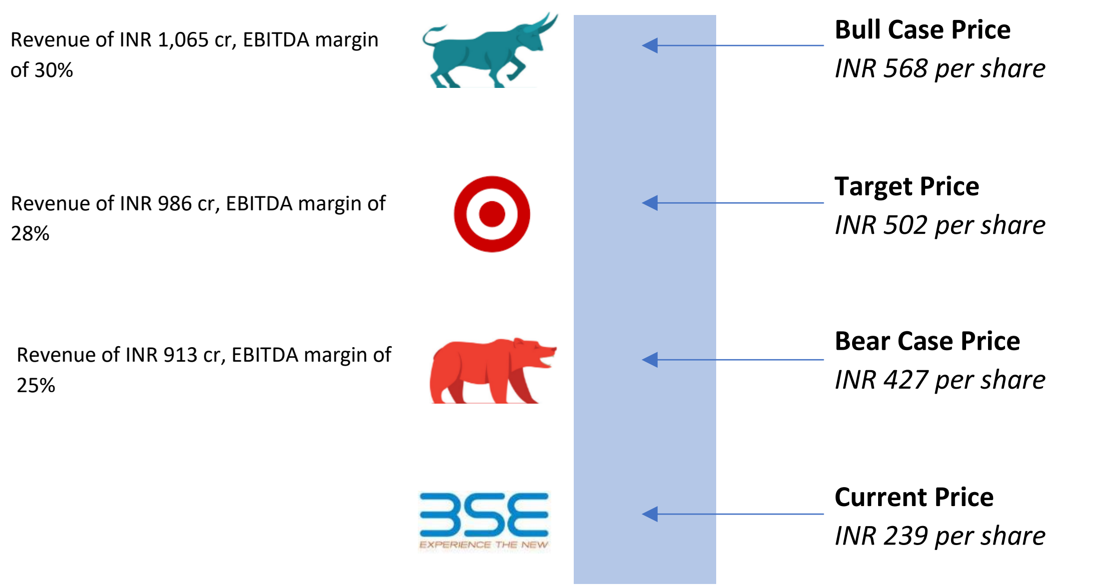
For any further query, please email us on research@venturasecurities.com

Our Bull and Bear Case Scenarios

We have prepared likely Bull and Bear case scenarios for the FY27 price, based on revenue growth and EBITDA margins.

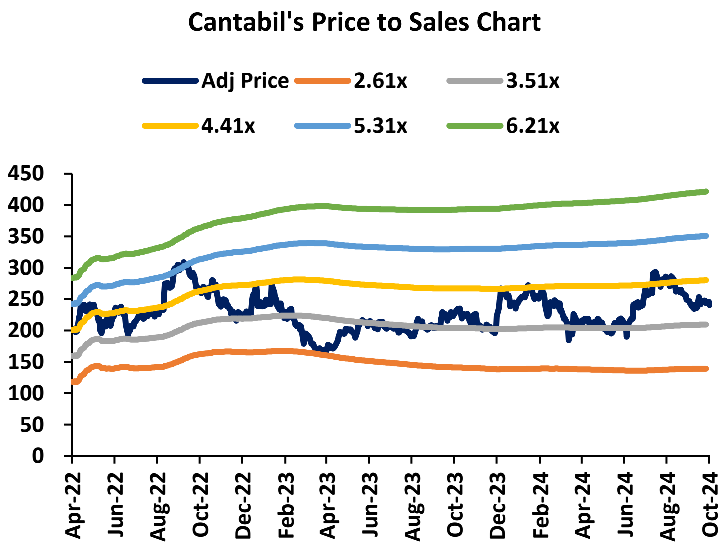
- **Bull Case:** We have assumed revenue of INR 1,065 cr (FY24-27E CAGR of 20.0%) and a EBITDA margin of 30%, which will result in a "Bull Case" price target of INR 568 per share (an upside of 138% from the CMP).
- **Bear Case:** We have assumed revenue of INR 913 cr (FY24-27E CAGR of 15.0%) and a EBITDA margin of 25%, which will result in a "Bear Case" price target of INR 427 per share (an upside of 79% from the CMP).

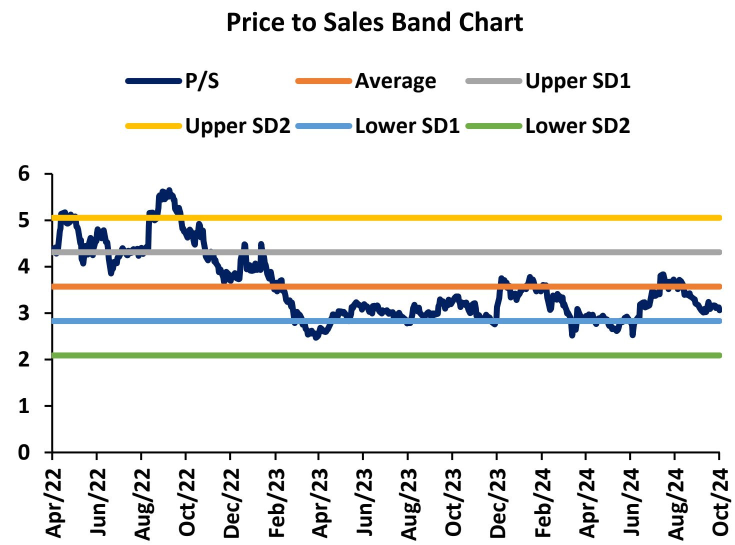
Bull & Bear Case Scenario

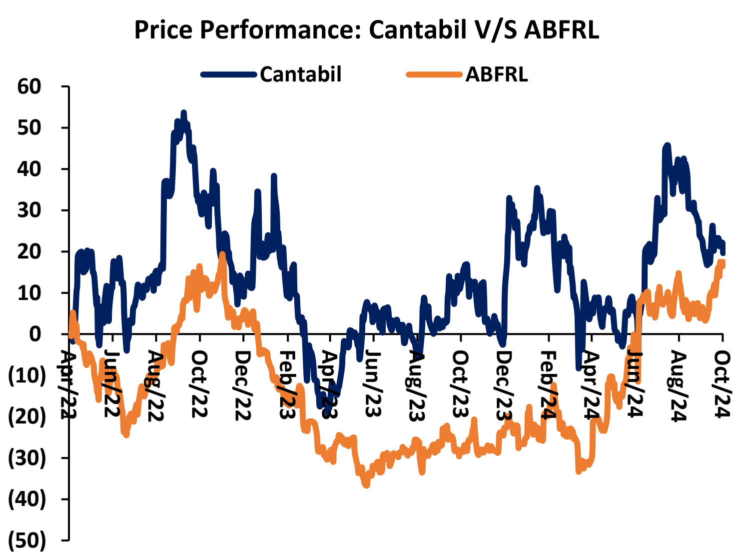


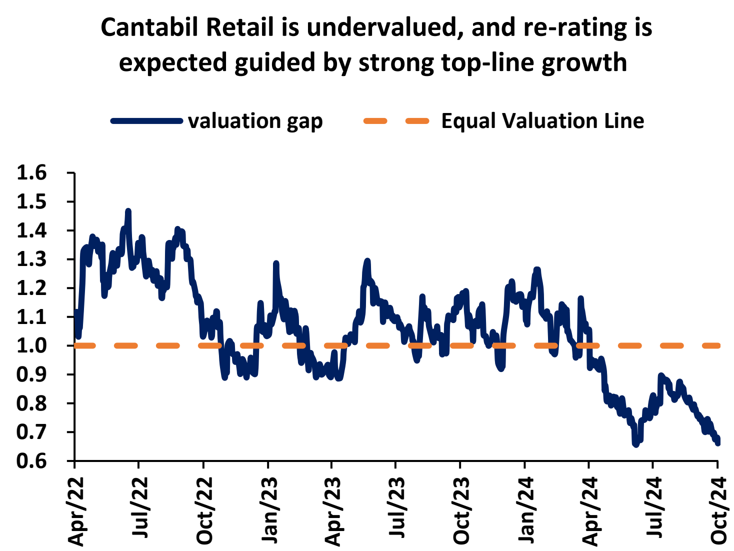
Source: BSE & Ventura Research

Strong growth outlook, improving profitability and healthy balance sheet could re-rate the valuation







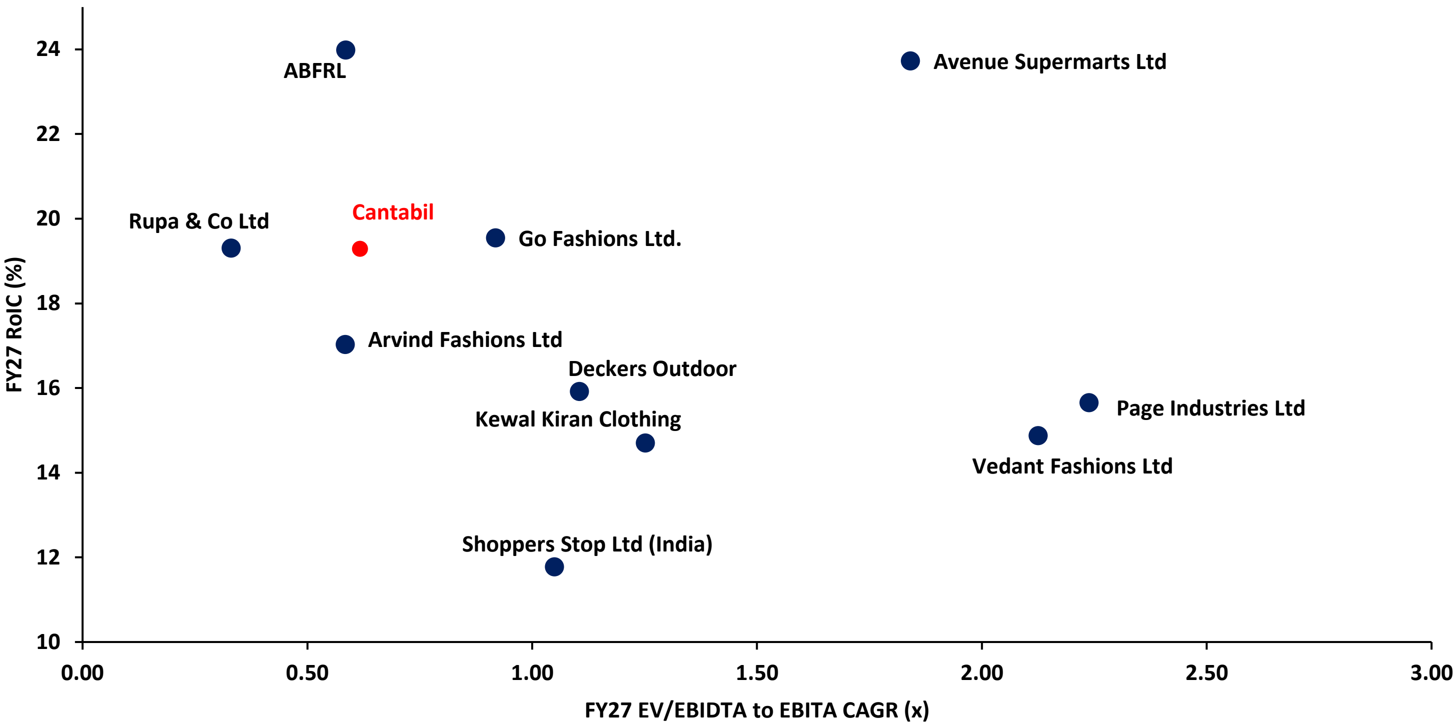


Source: Ventura Research

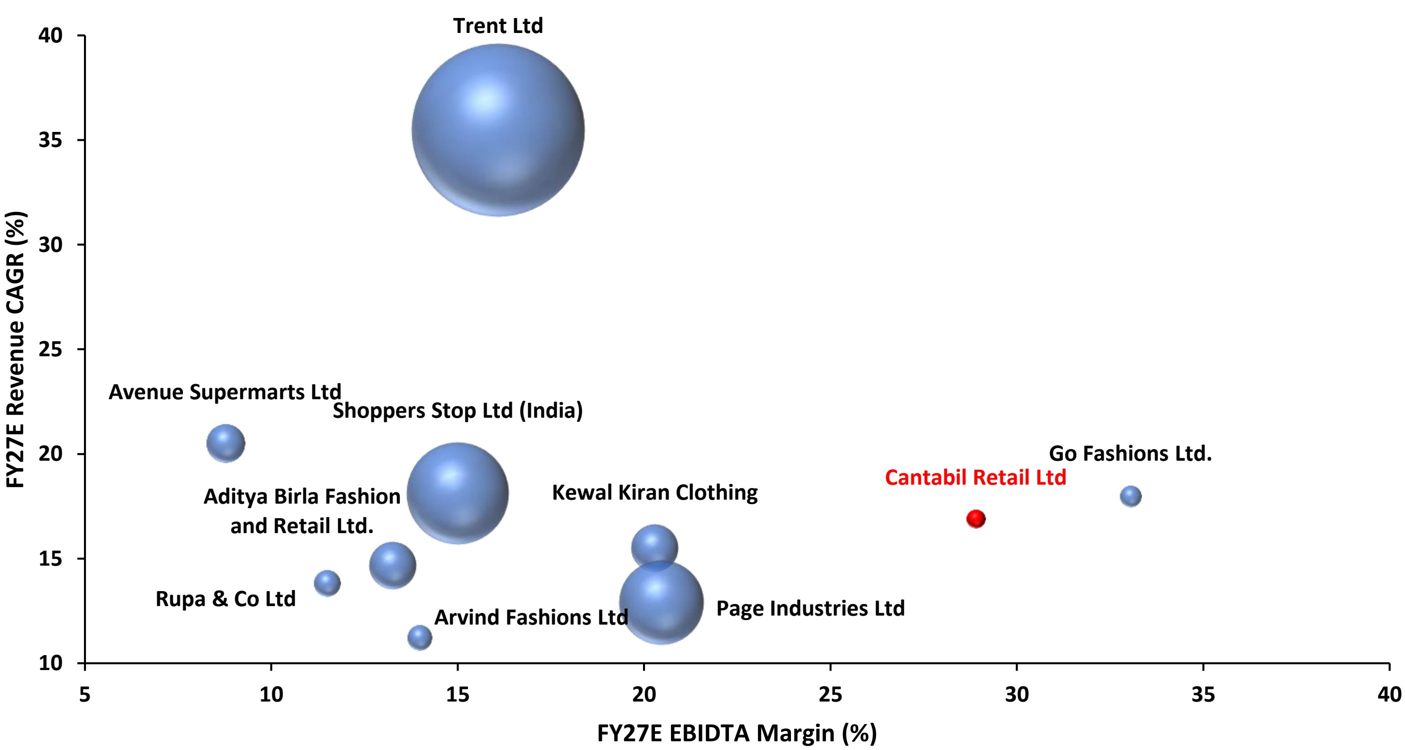
Valuation and comparable metrics of domestic and global companies

Company Name	Mkt Cap	Price	PEG (X)	P/E (X)			EV/Sales (X)			EV/EBIDTA (X)			RoE (%)			RoIC (%)			Sales			EBITDA Margin (%)			Net Margin (%)		
				2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
Domestic Peers (fig in INR cr, unless specified)																											
Cantabil Retail India Ltd.	1,996.0	239.0	0.9	25.2	22.4	19.6	2.5	2.1	1.8	8.7	7.5	6.4	19.9	18.7	17.9	44.2	44.2	46.8	754	866	986	28.9	28.4	28.3	10.5	10.3	10.3
Arvind Fashions Ltd	7,635.9	572.1	2.6	66.0	42.6	32.9	1.5	1.4	1.2	13.8	11.5	10.0	11.1	15.2	17.0	27.4	32.0	34.7	4,720	5,268	5,860	12.7	13.6	14.0	2.6	3.6	4.2
Rupa & Co Ltd	2,274.4	286.0	0.0	23.0	18.3	16.7	1.7	1.5	1.4	15.6	13.1	11.9	10.3	11.9	11.9	15.2	16.8	16.9	1,422	1,623	1,785	11.0	11.5	11.5	7.4	8.2	8.2
Vedant Fashions Ltd	31,551.4	1,298.9	3.5	72.7	60.0	52.2	21.4	17.9	15.4	44.9	37.3	31.6	24.0	24.6	24.6	56.3	61.3	69.7	1,499	1,774	2,054	47.6	48.1	48.6	30.2	30.9	30.7
Go Fashions Ltd.	7,053.6	1,306.0	2.2	69.8	53.4	47.3	8.0	6.8	5.9	24.9	20.8	18.0	14.7	16.8	16.4	17.6	18.4	17.8	905	1,078	1,253	32.2	32.9	33.1	11.1	12.2	11.9
Kewal Kiran Clothing	4,038.6	655.4	2.5	25.4	21.5	21.3	4.6	4.1	3.7	21.6	18.8	18.4	19.4	18.6	15.4	15.4	14.0	11.9	992	1,150	1,317	21.3	21.8	20.3	16.6	17.0	14.9
Page Industries Ltd	46,232.8	41,450.0	3.1	73.3	60.7	52.6	9.4	8.1	7.2	48.1	40.2	35.0	36.2	38.2	38.8	67.2	73.8	74.6	5,069	5,846	6,592	19.5	20.2	20.5	12.9	13.5	13.8
Aditya Birla Fashion and Retail	35,657.8	333.0	0.0	(92.1)	(198.2)	372.1	2.6	2.2	1.9	21.5	17.2	14.0	(9.7)	(4.6)	2.4	2.4	4.9	11.6	16,081	18,356	20,996	12.0	13.0	13.3	(2.5)	(1.0)	0.5
Shoppers Stop Ltd (India)	8,658.6	787.3	1.0	116.1	(6.1)	42.8	2.4	2.2	1.9	14.6	12.6	12.4	19.8	(266.2)	29.9	11.4	12.3	15.8	4,841	5,856	6,670	16.7	17.3	15.0	1.7	(26.2)	3.3
Trent Ltd	261,400.6	7,353.3	2.9	146.7	112.9	84.4	15.0	11.1	8.8	97.7	73.7	54.9	31.5	28.7	29.1	28.1	31.5	30.0	18,206	24,393	30,747	15.3	15.1	16.1	10.1	9.8	10.4
Avenue Supermarts Ltd	308,288.0	4,737.6	2.6	103.7	82.6	67.7	5.6	4.6	3.8	66.6	53.3	43.7	14.9	15.8	16.2	21.1	23.3	25.2	61,057	73,884	88,651	8.4	8.7	8.8	5.4	5.6	5.7
V-Mart Retail Ltd	8,819.3	4,457.2	0.0	(382.7)	151.1	78.0	2.4	2.1	1.8	21.8	17.0	14.1	(2.8)	6.5	11.5	11.0	22.2	35.2	3,259	3,790	4,344	11.1	12.4	12.7	(0.6)	1.4	2.3
Global Peers (fig in USD mn, unless specified)																											
Deckers Outdoor	23,904.7	156.8	1.2	30.3	28.4	25.4	5.1	4.4	3.9	20.7	20.3	17.6	36.3	32.6	30.8	108.2	144.2	167.2	4,288	4,814	5,335	24.5	21.7	22.1	17.7	16.8	16.9
Levi Strauss	7,719.4	19.4	0.3	16.0	14.0	12.5	1.4	1.3	1.2	10.5	9.2	8.2	22.8	22.4	21.5	23.2	24.3	24.5	6,317	6,625	7,061	13.1	13.8	14.3	7.9	8.6	9.1
Ralph Lauren Cor	11,917.8	192.4	1.1	17.8	16.0	14.9	1.9	1.7	1.6	9.7	10.2	9.3	27.0	28.8	27.0	23.0	34.0	33.8	6,631	6,760	7,052	19.2	16.8	17.5	9.7	10.6	11.0
Urban Outfitter	3,308.5	35.9	0.3	11.8	9.8	9.5	0.7	0.7	0.7	5.0	7.0	6.6	13.7	13.4	12.3	15.4	14.2	13.5	5,153	5,465	5,758	14.3	10.1	10.1	5.6	6.3	6.2
Guess Inc	987.3	19.2	15.6	5.0	7.3	6.5	0.6	0.4	0.4	3.3	4.3	3.9	29.8	25.0	25.3	18.6	27.8	29.1	2,777	3,055	3,200	19.2	9.4	9.9	7.1	4.4	4.7

Revenue growth and margin expansion deserves re-rating in valuation



We have used EV/EBITDA as a comparison metric as few peers are loss making.



Bubble size represents the size of the companies' revenue

Cantabil's Financial Summary

Fig in INR Cr (unless specified)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue from operations	251.9	383.2	552.8	616.5	754.0	866.1	985.6	1,105.2	1,224.8	1,344.3	1,463.9	1,583.4	1,703.0	1,822.6	1,942.1
YoY Growth (%)	*(25.5)*	*52.1*	*44.2*	*11.5*	*22.3*	*14.9*	*13.8*	*12.1*	*10.8*	*9.8*	*8.9*	*8.2*	*7.6*	*7.0*	*6.6*
Raw Material Cost	87.7	128.0	160.7	195.5	226.2	259.8	295.7	331.6	367.4	403.3	439.2	475.0	510.9	546.8	582.6
RM Cost to Sales (%)	*34.8*	*33.4*	*29.1*	*31.7*	*30.0*	*30.0*	*30.0*	*30.0*	*30.0*	*30.0*	*30.0*	*30.0*	*30.0*	*30.0*	*30.0*
Employee Cost	41.8	62.0	97.5	118.7	137.0	162.0	185.2	209.1	233.0	256.9	280.8	304.7	328.6	352.6	376.5
Employee Cost to Sales (%)	*16.6*	*16.2*	*17.6*	*19.2*	*18.2*	*18.7*	*18.8*	*18.9*	*19.0*	*19.1*	*19.2*	*19.2*	*19.3*	*19.3*	*19.4*
Other Expenses	62.9	83.1	131.0	139.6	172.5	198.2	225.5	252.9	280.3	307.6	335.0	362.3	389.7	417.0	444.4
Other Expenses to Sales (%)	*25.0*	*21.7*	*23.7*	*22.7*	*22.9*	*22.9*	*22.9*	*22.9*	*22.9*	*22.9*	*22.9*	*22.9*	*22.9*	*22.9*	*22.9*
EBITDA	59.4	110.2	163.6	162.7	218.2	246.1	279.2	311.7	344.1	376.5	408.9	441.3	473.8	506.2	538.6
EBITDA Margin (%)	*23.6*	*28.7*	*29.6*	*26.4*	*28.9*	*28.4*	*28.3*	*28.2*	*28.1*	*28.0*	*27.9*	*27.9*	*27.8*	*27.8*	*27.7*
PAT	9.7	38.1	67.2	62.2	79.3	89.2	101.6	115.3	129.5	123.9	131.8	152.6	161.2	169.9	183.2
PAT Margin (%)	*3.8*	*9.9*	*12.2*	*10.1*	*10.5*	*10.3*	*10.3*	*10.4*	*10.6*	*9.2*	*9.0*	*9.6*	*9.5*	*9.3*	*9.4*
Net Profit	9.7	38.1	67.2	62.2	79.3	89.2	101.6	115.3	129.5	123.9	131.8	152.6	161.2	169.9	183.2
Net Margin (%)	*3.8*	*9.9*	*12.2*	*10.1*	*10.5*	*10.3*	*10.3*	*10.4*	*10.6*	*9.2*	*9.0*	*9.6*	*9.5*	*9.3*	*9.4*
Adjusted EPS	1.2	4.6	8.0	7.4	9.5	10.7	12.2	13.8	15.5	14.8	15.8	18.2	19.3	20.3	21.9
P/E (X)	*206.4*	*52.4*	*29.7*	*32.1*	*25.2*	*22.4*	*19.6*	*17.3*	*15.4*	*16.1*	*15.1*	*13.1*	*12.4*	*11.7*	*10.9*
Adjusted BVPS	14.8	19.1	26.5	39.1	47.6	57.2	67.9	80.0	93.7	105.5	118.1	132.7	148.1	164.4	181.9
P/BV (X)	*16.1*	*12.5*	*9.0*	*6.1*	*5.0*	*4.2*	*3.5*	*3.0*	*2.5*	*2.3*	*2.0*	*1.8*	*1.6*	*1.5*	*1.3*
Enterprise Value	2,000.7	1,991.5	2,016.6	1,969.3	1,902.9	1,854.9	1,783.8	1,704.6	1,618.4	1,527.2	1,428.8	1,331.2	1,228.9	1,123.2	1,017.7
EV/EBITDA (X)	*33.7*	*18.1*	*12.3*	*12.1*	*8.7*	*7.5*	*6.4*	*5.5*	*4.7*	*4.1*	*3.5*	*3.0*	*2.6*	*2.2*	*1.9*
Net Worth	124.0	160.1	221.4	326.5	397.8	478.1	567.5	669.0	782.9	882.1	987.5	1,109.6	1,238.5	1,374.5	1,521.0
Return on Equity (%)	*7.8*	*23.8*	*30.4*	*19.1*	*19.9*	*18.7*	*17.9*	*17.2*	*16.5*	*14.0*	*13.3*	*13.7*	*13.0*	*12.4*	*12.0*
Capital Employed	138.4	160.1	244.7	336.2	409.7	491.8	583.1	686.5	802.3	903.3	1,010.7	1,134.6	1,265.4	1,403.3	1,551.7
Return on Capital Employed (%)	*11.6*	*27.2*	*34.8*	*24.6*	*24.7*	*22.8*	*21.4*	*20.1*	*18.8*	*18.2*	*17.4*	*17.5*	*16.5*	*15.6*	*14.9*
Invested Capital	130.1	156.8	243.3	301.1	306.0	338.3	356.7	378.8	406.6	414.6	421.6	446.1	472.7	502.9	544.0
Return on Invested Capital (%)	*15.6*	*43.5*	*46.5*	*33.9*	*44.2*	*44.2*	*46.8*	*48.7*	*49.5*	*53.0*	*55.8*	*59.5*	*59.1*	*58.0*	*56.9*
Cash Flow from Operations	66.5	90.3	75.1	126.7	113.1	119.7	134.2	149.9	164.6	187.5	203.0	213.4	227.2	240.1	250.7
Cash Flow from Investing	(7.0)	(41.0)	(34.1)	(51.6)	(4.8)	(27.6)	(15.0)	(21.3)	(29.3)	(12.0)	(13.7)	(17.9)	(23.0)	(29.6)	(37.9)
Cash Flow from Financing	(55.2)	(54.4)	(42.8)	(41.4)	(39.6)	(42.3)	(46.2)	(47.4)	(47.2)	(82.4)	(89.0)	(96.0)	(100.0)	(102.9)	(105.5)
Net Cash Flow	4.3	(5.1)	(1.8)	33.7	68.6	49.8	73.0	81.2	88.1	93.1	100.3	99.5	104.2	107.6	107.4
Free Cash Flow	78.2	60.3	62.3	96.7	150.8	184.1	227.4	254.2	279.6	332.3	364.8	391.3	421.4	450.6	477.2
FCF to Revenue (%)	*31.0*	*15.7*	*11.3*	*15.7*	*20.0*	*21.3*	*23.1*	*23.0*	*22.8*	*24.7*	*24.9*	*24.7*	*24.7*	*24.7*	*24.6*
FCF to EBITDA (%)	*131.6*	*54.7*	*38.1*	*59.4*	*69.1*	*74.8*	*81.4*	*81.6*	*81.2*	*88.3*	*89.2*	*88.7*	*89.0*	*89.0*	*88.6*
FCF to Net Profit (%)	*809.3*	*158.3*	*92.6*	*155.3*	*190.3*	*206.4*	*223.8*	*220.5*	*215.9*	*268.2*	*276.7*	*256.5*	*261.5*	*265.2*	*260.4*
FCF to Net Worth (%)	*63.0*	*37.6*	*28.1*	*29.6*	*37.9*	*38.5*	*40.1*	*38.0*	*35.7*	*37.7*	*36.9*	*35.3*	*34.0*	*32.8*	*31.4*
Total Debt	14	0	23	10	12	14	16	17	19	21	23	25	27	29	31
Net Debt	6	(3)	22	(25)	(92)	(140)	(211)	(290)	(376)	(468)	(566)	(664)	(766)	(872)	(977)
Net Debt to Equity (X)	*0.0*	*(0.0)*	*0.1*	*(0.1)*	*(0.2)*	*(0.3)*	*(0.4)*	*(0.4)*	*(0.5)*	*(0.5)*	*(0.6)*	*(0.6)*	*(0.6)*	*(0.6)*	*(0.6)*
Net Debt to EBITDA (X)	*0.1*	*(0.0)*	*0.1*	*(0.2)*	*(0.4)*	*(0.6)*	*(0.8)*	*(0.9)*	*(1.1)*	*(1.2)*	*(1.4)*	*(1.5)*	*(1.6)*	*(1.7)*	*(1.8)*
Interest Coverage Ratio (X)	*0.8*	*2.8*	*4.0*	*3.2*	*4.0*	*4.3*	*4.6*	*5.2*	*6.0*	*3.7*	*3.6*	*3.9*	*4.0*	*4.1*	*4.4*
Fundamental scores															
Altman Z Score	1.2	5.1	4.1	4.4	4.2	4.2	4.1	4.1	4.2	3.1	3.0	2.9	2.9	2.8	2.8
Piotroski F-score	6.0	7.0	7.0	5.0	8.0	7.0	7.0	7.0	7.0	4.0	5.0	6.0	5.0	6.0	7.0
Beneish M-score	(2.7)	(1.9)	(0.5)	(1.7)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.9)	(2.0)	(1.9)	(1.9)	(1.9)	(1.9)

Source: ACE Equity, Company Reports & Ventura Research

Cantabil Retail India Ltd SWOT Analysis

Cantabil Retail India Ltd

Growth Drivers

- The company is opening stores in Tier 2 and 3 cities, targeting the growing middle class to enhance sales performance.
- By optimalizing operations and reducing raw material costs, the company is expected to achieve higher margins in the future.
- In-house brands offer value for money, higher margins, and potential to develop into self-sustaining brands, strengthening Cantabil's competitive edge.

Key Challenges

- Fluctuating input costs like raw material and power costs can impact profitability of the company.
- With ~130 inventory days, significant capital is stuck in inventory, posing a challenge to manage working capital.
- Expanding store presence involves challenges in securing prime locations, getting space at reasonable rent, and executing timely legal processes.

New Trends

- Expansion into adjacent categories like women's wear, kidswear, and innerwear offers new growth avenues and product diversification
- Increasing consumer preference for premium products supports Cantabil's strategy to enhance average price realization per item.
- Customers seek one-stop solutions for apparel needs, driving demand for exclusive brand outlets offering diverse product categories.
- Increased internet and mobile penetration drives more consumers to fulfill their apparel needs through online channels.

Investment Themes

- Cantabil has capacity to produce 1.5 million garments annually, aims to further increase output within existing infrastructure.
- Online sales more than doubled in FY24; targeting 8-10% of total sales from e-commerce channels within the next two years.
- Cantabil focuses on Retail expansion, largely in the Company Owned Company Operated (COCO) format, taking the store count to 700 by FY26

Why didn't Cantabil perform as per our forecast?

In our September 2022 forecast, we projected revenue/EBITDA/net profit at INR 734 cr/INR 206 cr/INR 96.2 cr for FY24. The FY24 actual figures reported were INR 616 cr/INR 164 cr/INR 62 cr.

Retail Footprint: Cantabil opened 533 stores in FY24, falling short of the expected 560. Despite fewer stores, the total floor area expanded to 6.6 lakh sq.ft., surpassing the forecast of 6.4 lakh sq.ft., indicating a strategy of larger stores. Revenue per store dropped to 1.26, below the expected 1.45, and sales per square foot declined to INR 9,341 from the anticipated INR 12,650. This was also a decrease from the previous years' levels of around INR 10,000/sq.ft.

Revenues: The apparel sector faced subdued growth in FY24, mainly due to weak consumer demand, impacted by factors like the National Elections, heat waves, and fewer wedding dates, which reduced footfall both online and offline.

Expenses: EBITDA margins were forecasted at 28.1% but underperformed by 140 bps at 26.7%, primarily due to higher employee costs, which reached 19.2% of sales, above the expected 16.8%. Additionally, commissions were higher than anticipated, at 7% of sales versus the 6% forecast. Depreciation exceeded projections by approximately INR 40 cr, driven by increased write-offs of right-of-use assets.

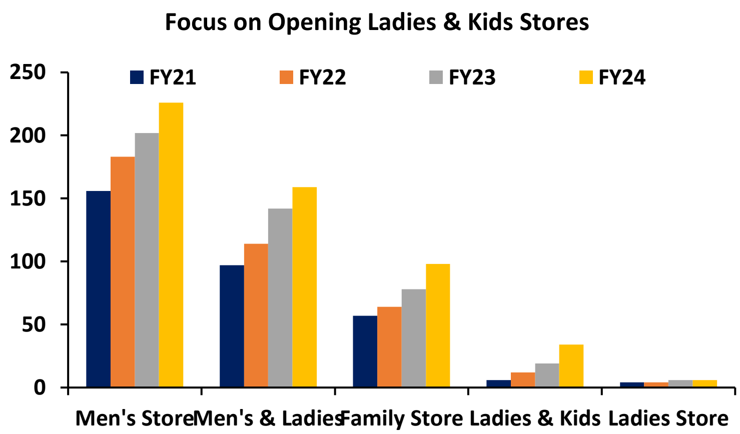
What does the company plan to change?

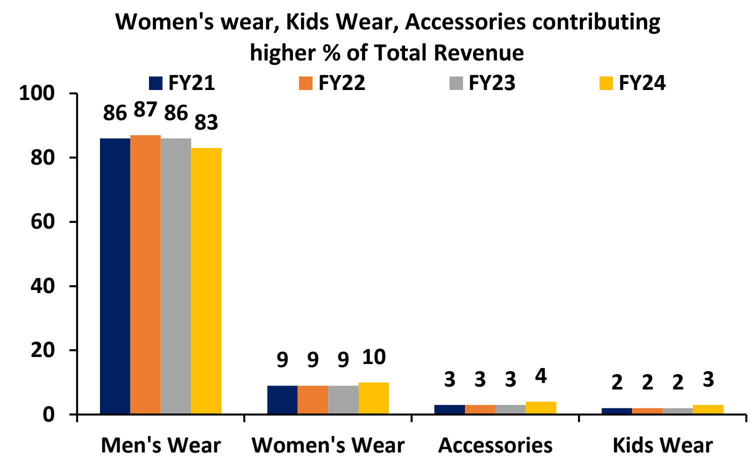
The company intends to revamp its retail expansion strategy, targeting the addition of 70 to 80 stores annually, with the goal of reaching 700 stores by FY26, and 775 stores by FY27. It also plans to open larger stores, averaging 1,600 sq.ft., to enhance customer experience and optimize store performance.
Using FY23 as a benchmark, the company aims for an EBITDA margin of 28% to 30%, driven by lower material costs and improved operational efficiency. While projecting 15% volume growth, the company has no plans to add additional capacity in the near term, thereby focusing on maximizing the utilization of its current capacity to boost free cash flow.

Revenues expected to grow to ~INR 1000 cr by FY27E

Category-Wise Split –

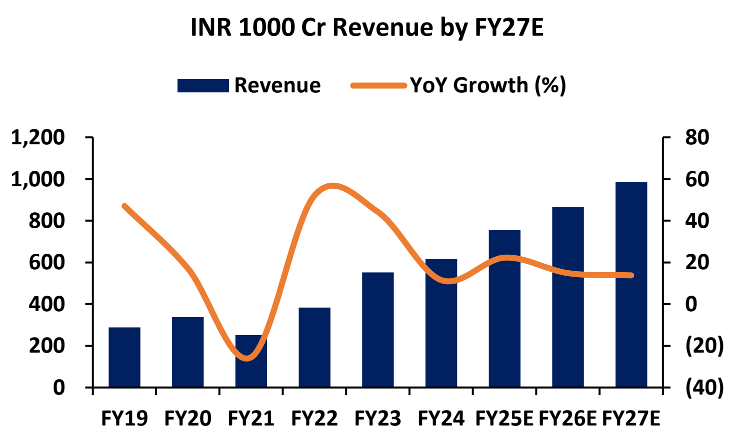
The company has demonstrated a focus on expanding its Women's Wear and Kids' Wear offerings by opening more stores dedicated to these segments. This diversification in its product line is aimed at providing customers with a "One Stop Solution" for all family needs. By catering to a broader range of customers, the company expects to significantly boost its Average Bill Value, enhancing overall revenue per customer and driving growth across its retail portfolio.

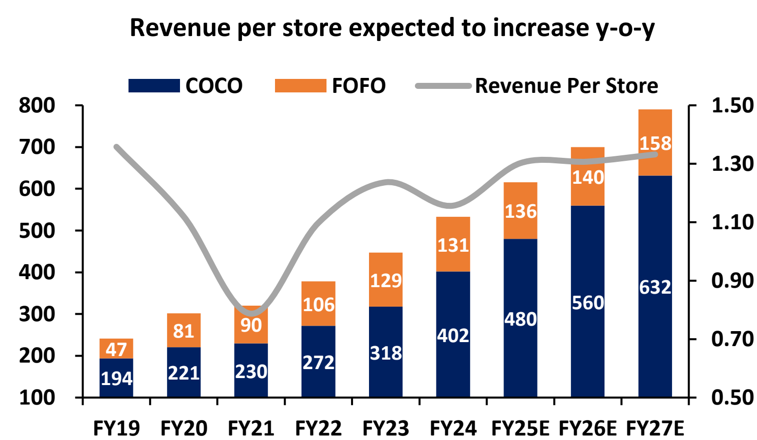




Store Expansion

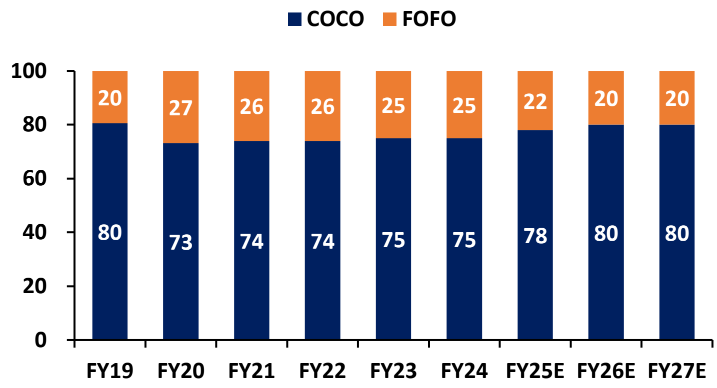
The company currently operates 533 stores. It plans to open 700 stores by FY26, and 775 stores by FY27. We expect the company to open ~70 to 80 stores every year.



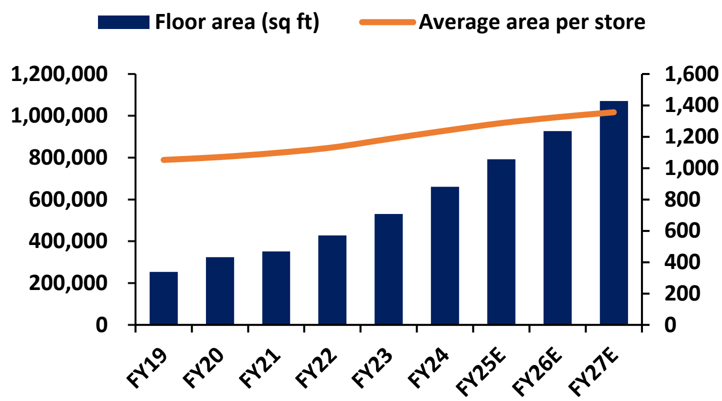


For any further query, please email us on research@venturasecurities.com

COCO Stores to be ~80% of total floor area



Opening 1600 sq ft. stores going forward



COCO based expansion

The company currently operates around 400 Company Owned Company Operated (COCO) stores, maintaining a 75:25 COCO/FOFO split.

Going forward, it aims to expand primarily through the COCO model, with plans to open approximately 150 new COCO stores, bringing the total to 560 by FY27. This expansion will result in a revised COCO/FOFO ratio of 80:20.

Larger stores

The company is focused on opening larger stores, believing that these stores provide greater utility by offering a wider range of products under one roof, serving as a one-stop solution for customers. Future stores will average 1,600 sq.ft.

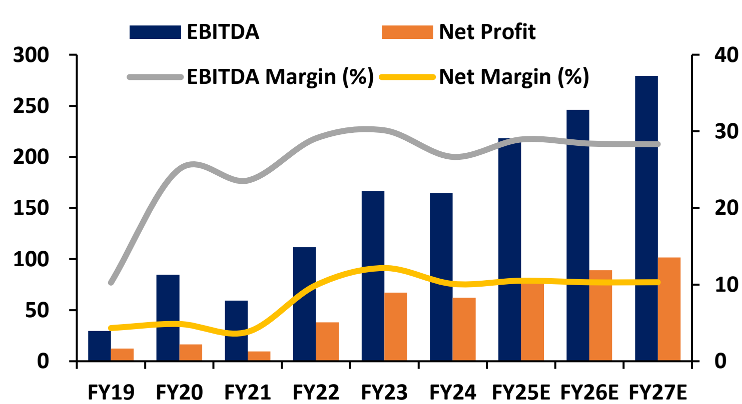
Volume growth

We expect ~15% to 18% volume growth y-o-y. The company currently produces 60 lakh pieces per annum as of FY24, and plans to produce ~90 lakh pieces by FY27.

Profitability

- The company's profitability is expected to improve, supported by increasing gross margins due to lower material costs.
- EBITDA margins are projected to rise by 160 bps, from 26.7% to 28.3% by FY27E, driven by reduced advertising expenditure. The company plans to cap its advertising budget at 1.5% of sales going forward.
- Net Profit Margins are anticipated to remain steady at around 10% through FY27, reflecting consistent performance in line with the company's financial outlook.

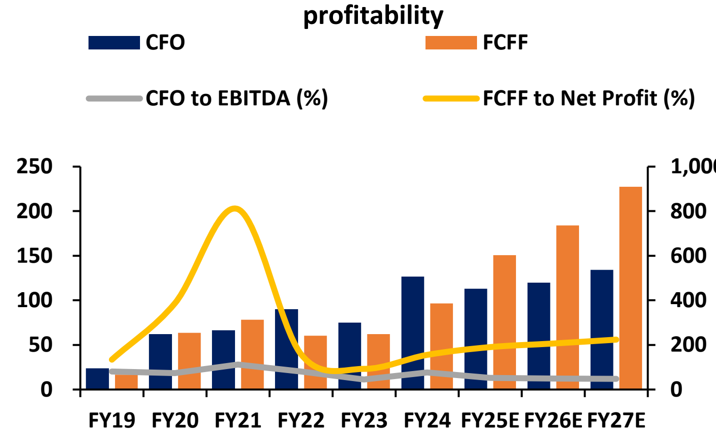
Efficient Operation maintaining profitability



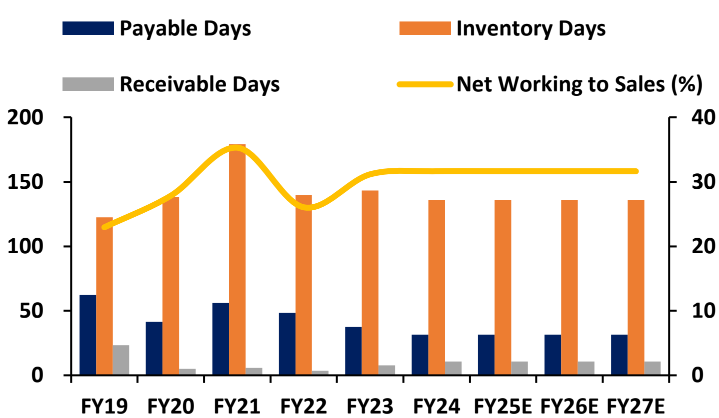
Cash Flows

- With robust sales growth and stable margins, cash flows are expected to increase in the coming years.
- As a zero-debt company, interest outflows are minimal, limited to only short-term borrowings.
- The company maintains a dividend payout policy of 10-12% through FY27, thereby controlling its cash outflow.
- Supported by strong year-over-year profit growth and minimal CAPEX plans for capacity expansion, the company is projected to generate substantial cash flow, enhancing its financial flexibility and liquidity position.

FCFF expected to increase backed by strong profitability



Working Capital Cycle to be ~100 days



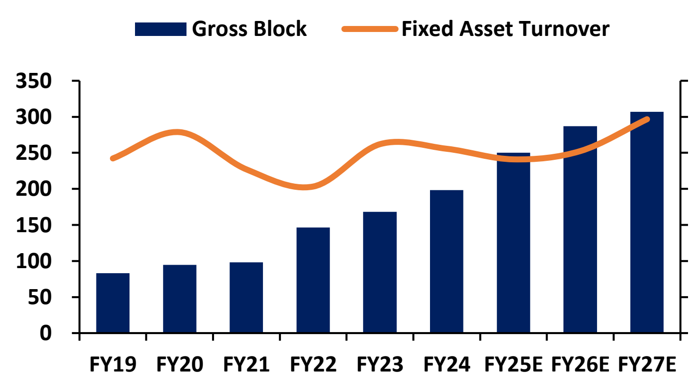
Working Capital

- Working capital trends are expected to remain consistent, with the company maintaining a 100-day working capital cycle as per guidance.
- The company follows a strict credit control policy, keeping receivable days at just 11 days in FY24. Receivables turnover is expected to stay within the range of 8-11 days going forward.
- The company completes approximately three inventory cycles per year and is expected to continue this trend. However, there is potential for improvement in inventory management, as peers achieve a 4X inventory turnover.
- Payable days have been steadily decreasing, from 56 days in FY21 to 32 days in FY24. The company expects payable days to remain stable and not decline further in the future.

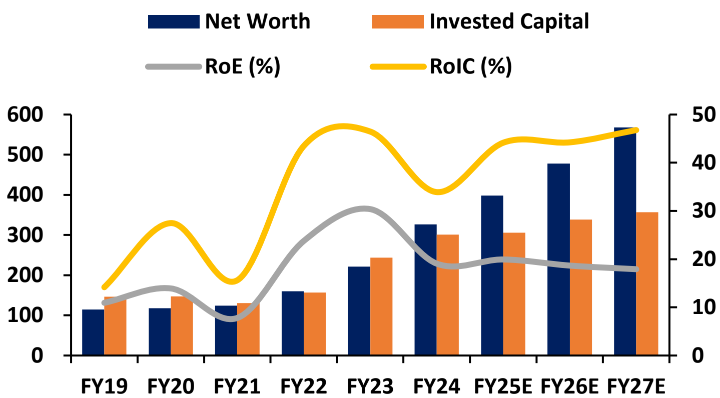
CAPEX

- The company operates a manufacturing facility spanning 2 lakh sq. ft. in Bahadurgarh, Haryana.
- It plans to enhance both output and capacity within the same plant through FY27, indicating minimal CAPEX plans until that time.
- With robust cash flow generation, the company intends to fund its entire CAPEX from internal accruals, maintaining its zero-debt strategy and avoiding any new borrowing.

Fixed Asset Turnover to increase backed by higher incremental sales over CAPEX



Strong profitability driving higher return ratios



Return Ratios

Supported by robust profitability and strong equity, internal accruals will be the primary source of capital, driving an upward trend in return ratios going forward.

- Return on Invested Capital (ROIC) is projected to improve significantly by 1300 bps, increasing from 34% in FY24 to 47% by FY27E.
- Return on Equity (ROE) is expected to remain stable at approximately 19% in the coming years, reflecting consistent performance and effective capital utilization.

Annual Report Analysis

We analysed the FY24 annual report of Cantabil Retail India Ltd. and our key observations are as follows:

Key takeaways

- **Retail Expansion in New Markets: The company is opening stores in Tier 2 and 3 cities, targeting untapped markets and new customer segments, particularly the growing middle class, to enhance sales performance.**

- **E-commerce Growth: With India's e-commerce sector expanding rapidly, Cantabil is capitalizing on this by strengthening its online platform and omnichannel strategy to cater to tech-savvy consumers. Continued investment in e-commerce infrastructure and digital marketing will support online sales growth.**

- **Omnichannel Strategy: Cantabil focuses on providing a seamless shopping experience, blending online and offline channels. Customers can shop at their convenience with access to a wide range of products both in stores and online.**

- **Website Optimization: The company has improved its website's functionality, ensuring a smoother user experience and more effective engagement with online customers.**

- **Brand Awareness: Cantabil has built a strong brand in the Indian retail market, offering quality products, trendy designs, and affordable pricing. Increased brand recognition is expected to lead to higher footfall in stores and increased sales.**

- **Customer Loyalty Programs: Customer retention is a key focus, with investments in personalized engagement, loyalty rewards, and other initiatives aimed at fostering long-term relationships and ensuring repeat business.**

Board members

Except for FY24, the board members has been consistent since the past 4 years, which shows their confidence in the company and its management.

Board members

Name	FY21	FY22	FY23	FY24
Mr. Vijay Bansal	Chairman and Managing Director	Chairman and Managing Director	Chairman and Managing Director	Chairman and Managing Director
Mr. Deepak Bansal	Whole Time Director	Whole Time Director	Whole Time Director	Whole Time Director
Mr. Basant Goyal	Whole Time Director	Whole Time Director	Whole Time Director	Whole Time Director
Mr. Rajeev Sharma	Non-Exec Independent Director	Non-Exec Independent Director	Non-Exec Independent Director	Non-Exec Independent Director
Mr. Lalit Kumar				Non-Exec Independent Director
Mrs. Arpana Jain				Non-Exec Independent Director
Mr. Balvinder Singh Ahluwalia	Non-Exec Independent Director	Non-Exec Independent Director	Non-Exec Independent Director	
Mrs. Renu Jagdish	Non-Exec Independent Director	Non-Exec Independent Director	Non-Exec Independent Director	

Ventura Business Quality Score

Key Criteria	Score	Risk	Comments
Management & Leadership			
Management Quality	7	Low	The management is fairly experienced in the Retail/Apparel industry.
Promoters Holding Pledge	9	Low	The promoter holding stands at 74.1% and there is no pledge against this holding.
Board of Directors Profile	7	Low	The directors have significant experience in their respective sectors and are experts in their areas
Industry Consideration			
Industry Growth	8	Low	The Retail sector is expected to grow significantly in India, especially in Tier 2 and Tier 3 cities and Online Shopping (eCommerce).
Regulatory Environment or Risk	8	Low	There is no direct regulation or policy related to Retail/Apparel Industry.
Entry Barriers / Competition	3	High	Although Cantabil positions itself as a mid-premium brand, entry barriers aren't very significant in this sector, and price based competition is likely.
Business Prospects			
New Business / Client Potential	8	Low	Cantabil plans to expand into Tier 2 & Tier 3 cities, and promote growth through the online channel. Both areas are under-penetrated.
Business Diversification	4	Medium	Although Cantabil plans to expand into Women's Wear, Kids Wear, and Accessories, all of them can be prey to muted conumer demand due to macro-economic situations.
Market Share Potential	8	Low	The company can gain significant market share in the less penetrated tier 2 and tier 3 towns.
Margin Expansion Potential	5	Medium	Full price sell-throughs (lower discounting), lower raw material cost through supplier negotiations, and lower employee cost through higher floor area per employee can result in possible margin expansion. One major concern is the inability of the company to achieve margins as per guidance.
Earnings Growth	7	Low	Incremental sales, lower raw material costs and lower advertising costs are the only factors to drive earnings growth
Valuation and Risk			
Balance Sheet Strength	8	Low	Lower debt is a positive, but the company can improve its inventory turnover.
Debt Profile	9	Low	Company has zero long term debt, and negligible short term borrowings.
FCF Generation	8	Low	Lower capex requirements and a comfortable working capital cycle is generating strong free cash flow.
Dividend Policy	7	Low	Considering Low CAPEX requirements and no repayment of debt, we believe the company should distribute higher dividends to its shareholders than a 12% DPR.
Total Score	106	Low	The overall risk profile of the company is good and we consider it as a LOW risk company for investments
Ventura Score (%)	71		

Source: Company Reports & Ventura Research

Management Team

Name	Designation	Experience
Mr. Vijay Bansal	Chairman & Managing Director	He has extensive experience in the apparel and retail business. Founded and launched the Cantabil brand in 2000. Awarded the "Delhi Udyog Ratan Award" in 2008.
Deepak Bansal	Whole Time Director	A mathematics graduate from Delhi University with deep expertise in the retail apparel industry. Oversees marketing strategy and retail expansion across India.
Basant Goyal	Whole Time Director	Holds a degree in Business Studies from Delhi University. He is responsible for managing production and overall company administration.
Mr. Shivendra Nigam	Chief Financial Officer (FCA)	A commerce graduate and Chartered Accountant with experience in finance, accounts, and regulatory compliance. Manages financial reporting and compliance.
Ms. Poonam Chahal	Company Secretary	Holds a Master's degree in Commerce and is a law graduate. Specializes in corporate law, securities, foreign exchange, and IPR, heading the legal and compliance department.

Source: Company Reports

Key Risks & Concerns

- Global Competition: Low-cost manufacturers from countries like Bangladesh, Indonesia, and Vietnam pose a considerable threat, driving down prices and increasing competition in the apparel sector.
- Weak Consumer Demand: In a price-sensitive and elastic market like apparel, sluggish consumer demand can significantly impact turnover and disrupt sales growth.
- Competitive Discounting: Aggressive discounting by retail competitors may lead to customer attrition, resulting in reduced sales for Cantabil and potential inventory buildup.

Cantabil's quarterly and annual performance

Fig in INR Cr (unless specified)	FY21	FY22	FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	FY25E	FY26E	FY27E
Revenue from operations	251.9	383.2	552.8	111.8	135.1	174.5	194.1	616.5	127.9	754.0	866.1	985.6
YoY Growth (%)	*(25.5)*	*52.1*	*44.2*	*10.9*	*16.5*	*7.0*	*11.6*	*11.5*	*14.4*	*22.3*	*14.9*	*13.8*
Raw Material Cost	87.7	128.0	160.7	23.3	46.1	49.3	75.8	195.5	25.0	226.2	259.8	295.7
RM Cost to Sales (%)	*34.8*	*33.4*	*29.1*	*20.9*	*34.1*	*28.2*	*39.0*	*31.7*	*19.5*	*30.0*	*30.0*	*30.0*
Employee Cost	41.8	62.0	97.5	26.8	28.1	31.3	32.5	118.7	32.2	137.0	162.0	185.2
Employee Cost to Sales (%)	*16.6*	*16.2*	*17.6*	*24.0*	*20.8*	*17.9*	*16.7*	*19.2*	*25.2*	*18.2*	*18.7*	*18.8*
Other Expenses	62.9	83.1	131.0	0.0	0.0	0.0	0.0	139.6	31.4	172.5	198.2	225.5
Other Expenses to Sales (%)	*25.0*	*21.7*	*23.7*	*0.0*	*0.0*	*0.0*	*0.0*	*22.7*	*24.5*	*22.9*	*22.9*	*22.9*
EBITDA	59.4	110.2	163.6	61.6	60.9	93.9	85.9	162.7	39.4	218.2	246.1	279.2
EBITDA Margin (%)	*23.6*	*28.7*	*29.6*	*55.1*	*45.1*	*53.8*	*44.2*	*26.4*	*30.8*	*28.9*	*28.4*	*28.3*
PAT	9.7	38.1	67.2	12.3	7.5	24.1	18.4	62.2	11.4	79.3	89.2	101.6
PAT Margin (%)	*3.8*	*9.9*	*12.2*	*11.0*	*5.6*	*13.8*	*9.5*	*10.1*	*8.9*	*10.5*	*10.3*	*10.3*
Net Profit	9.7	38.1	67.2	12.3	7.5	24.1	18.4	62.2	11.4	79.3	89.2	101.6
Net Margin (%)	*3.8*	*9.9*	*12.2*	*11.0*	*5.6*	*13.8*	*9.5*	*10.1*	*8.9*	*10.5*	*10.3*	*10.3*
Adjusted EPS	1.2	4.6	8.0	1.5	0.9	2.9	2.2	7.4	1.4	9.5	10.7	12.2
P/E (X)	*206.4*	*52.4*	*29.7*					*32.1*		*25.2*	*22.4*	*19.6*
Adjusted BVPS	14.8	19.1	26.5					39.1		47.6	57.2	67.9
P/BV (X)	*16.1*	*12.5*	*9.0*					*6.1*		*5.0*	*4.2*	*3.5*
Enterprise Value	2,000.7	1,991.5	2,016.6					1,969.3		1,902.9	1,854.9	1,783.8
EV/EBITDA (X)	*33.7*	*18.1*	*12.3*					*12.1*		*8.7*	*7.5*	*6.4*
Net Worth	124.0	160.1	221.4					326.5		397.8	478.1	567.5
Return on Equity (%)	*7.8*	*23.8*	*30.4*					*19.1*		*19.9*	*18.7*	*17.9*
Capital Employed	138.4	160.1	244.7					336.2		409.7	491.8	583.1
Return on Capital Employed (%)	*11.6*	*27.2*	*34.8*					*24.6*		*24.7*	*22.8*	*21.4*
Invested Capital	130.1	156.8	243.3					301.1		306.0	338.3	356.7
Return on Invested Capital (%)	*15.6*	*43.5*	*46.5*					*33.9*		*44.2*	*44.2*	*46.8*
Cash Flow from Operations	66.5	90.3	75.1					126.7		113.1	119.7	134.2
Cash Flow from Investing	(7.0)	(41.0)	(34.1)					(51.6)		(4.8)	(27.6)	(15.0)
Cash Flow from Financing	(55.2)	(54.4)	(42.8)					(41.4)		(39.6)	(42.3)	(46.2)
Net Cash Flow	4.3	(5.1)	(1.8)					33.7		68.6	49.8	73.0
Free Cash Flow	78.2	60.3	62.3					96.7		150.8	184.1	227.4
FCF to Revenue (%)	*31.0*	*15.7*	*11.3*					*15.7*		*20.0*	*21.3*	*23.1*
FCF to EBITDA (%)	*131.6*	*54.7*	*38.1*					*59.4*		*69.1*	*74.8*	*81.4*
FCF to Net Profit (%)	*809.3*	*158.3*	*92.6*					*155.3*		*190.3*	*206.4*	*223.8*
FCF to Net Worth (%)	*63.0*	*37.6*	*28.1*					*29.6*		*37.9*	*38.5*	*40.1*
Total Debt	14	0	23					10		12	14	16
Net Debt	6	(3)	22					(25)		(92)	(140)	(211)
Net Debt to Equity (X)	*0.0*	*(0.0)*	*0.1*					*(0.1)*		*(0.2)*	*(0.3)*	*(0.4)*
Net Debt to EBITDA (X)	*0.1*	*(0.0)*	*0.1*					*(0.2)*		*(0.4)*	*(0.6)*	*(0.8)*
Interest Coverage Ratio (X)	*0.8*	*2.8*	*4.0*					*3.2*		*4.0*	*4.3*	*4.6*
Fundamental scores												
Altman Z Score	1.2	5.1	4.1					4.4		4.2	4.2	4.1
Piotroski F-score	6.0	7.0	7.0					5.0		8.0	7.0	7.0
Beneish M-score	(2.7)	(1.9)	(0.5)					(1.7)		(1.8)	(1.8)	(1.8)

Source: ACE Equity, Company Reports & Ventura Research

For any further query, please email us on research@venturasecurities.com

Cantabil's consolidated financials & projections

Fig in INR Cr (unless specified)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Income Statement							
Revenue	251.9	383.2	552.8	616.5	754.0	866.1	985.6
YoY Growth (%)	*(25.5)*	*52.1*	*44.2*	*11.5*	*22.3*	*14.9*	*13.8*
Raw Material Cost	87.7	128.0	160.7	195.5	226.2	259.8	295.7
RM Cost to Sales (%)	*34.8*	*33.4*	*29.1*	*31.7*	*30.0*	*30.0*	*30.0*
Employee Cost	41.8	62.0	97.5	118.7	137.0	162.0	185.2
Employee Cost to Sales (%)	*16.6*	*16.2*	*17.6*	*19.2*	*18.2*	*18.7*	*18.8*
Other Expenses	62.9	83.1	131.0	139.6	172.5	198.2	225.5
Other Exp to Sales (%)	*25.0*	*21.7*	*23.7*	*22.7*	*22.9*	*22.9*	*22.9*
EBITDA	59.4	110.2	163.6	162.7	218.2	246.1	279.2
Margin (%)	*23.6*	*28.7*	*29.6*	*26.4*	*28.9*	*28.4*	*28.3*
YoY Growth (%)	*(29.9)*	*85.4*	*48.5*	*(0.5)*	*34.1*	*12.8*	*13.5*
Depreciation & Amortization	39.1	43.3	53.5	62.4	83.1	96.4	112.4
EBIT	20.3	66.9	110.0	100.3	135.1	149.6	166.8
Margin (%)	*8.1*	*17.4*	*19.9*	*16.3*	*17.9*	*17.3*	*16.9*
YoY Growth (%)	*(49.9)*	*229.1*	*64.6*	*(8.8)*	*34.7*	*10.7*	*11.5*
Other Income	16.7	15.5	4.4	4.7	4.7	4.8	4.9
Finance Costs	24.8	24.1	28.2	31.4	33.9	35.2	35.9
Fin Charges Coverage (X)	0.8	2.8	3.9	3.2	4.0	4.3	4.6
Exceptional Item	0.0	0.0	0.0	1.5	0.0	0.0	0.0
PBT	12.3	58.3	86.3	75.1	105.9	119.2	135.8
Margin (%)	*4.9*	*15.2*	*15.6*	*12.2*	*14.1*	*13.8*	*13.8*
YoY Growth (%)	*(48.9)*	*375.3*	*48.1*	*(13.0)*	*41.1*	*12.5*	*13.9*
Tax Expense	2.6	21.5	22.0	14.6	26.7	30.0	34.2
Tax Rate (%)	*21.2*	*37.0*	*25.5*	*19.4*	*25.2*	*25.2*	*25.2*
PAT	9.7	36.7	64.2	60.5	79.3	89.2	101.6
Margin (%)	*3.8*	*9.6*	*11.6*	*9.8*	*10.5*	*10.3*	*10.3*
YoY Growth (%)	*(41.2)*	*280.1*	*74.9*	*(5.9)*	*31.1*	*12.5*	*13.9*
Min Int/Sh of Assoc	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit	9.7	36.7	64.2	60.5	79.3	89.2	101.6
Margin (%)	*3.8*	*9.6*	*11.6*	*9.8*	*10.5*	*10.3*	*10.3*
YoY Growth (%)	*(41.2)*	*280.1*	*74.9*	*(5.9)*	*31.1*	*12.5*	*13.9*
Balance Sheet							
Share Capital	16.3	16.3	16.3	16.7	16.7	16.7	16.7
Total Reserves	107.7	143.8	205.0	309.7	381.1	461.4	550.8
Shareholders Fund	124.0	160.1	221.4	326.5	397.8	478.1	567.5
Long Term Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Tax Assets / Liabilities	(18.7)	(13.9)	(16.7)	(22.9)	(22.9)	(22.9)	(22.9)
Other Long Term Liabilities	207.5	229.1	244.0	300.4	321.4	323.5	319.0
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	3.5	4.3	5.9	7.6	8.8	10.4	11.9
Total Liabilities	316.4	379.6	454.6	611.6	705.2	789.2	875.6
Net Block	55.5	94.3	105.5	120.6	156.4	171.5	166.1
Capital Work in Progress	2.3	0.9	12.0	35.2	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Current Investments	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Long Term Loans & Advances	16.3	16.0	15.8	19.2	23.5	27.0	30.7
Other Non Current Assets	3.3	3.6	1.3	1.4	1.7	2.0	2.3
Net Current Assets	239.0	264.8	319.9	435.1	523.4	588.5	676.3
Total Assets	316.4	379.6	454.6	611.6	705.2	789.2	875.6

Fig in INR Cr (unless specified)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Per share data & Yields							
Adjusted EPS (INR)	1.2	4.4	7.7	7.2	9.5	10.7	12.2
Adjusted Cash EPS (INR)	5.8	9.6	14.1	14.7	19.4	22.2	25.6
Adjusted BVPS (INR)	14.8	19.1	26.5	39.1	47.6	57.2	67.9
Adjusted CFO per share (INR)	8.0	10.6	8.6	14.9	13.5	14.3	16.1
CFO Yield (%)	3.3	4.5	3.6	6.3	5.7	6.0	6.7
Adjusted FCF per share (INR)	9.4	7.2	7.4	11.6	18.0	22.0	27.2
FCF Yield (%)	3.9	3.0	3.1	4.8	7.6	9.2	11.4
Solvency Ratio (X)							
Total Debt to Equity	0.1	0.0	0.1	0.0	0.0	0.0	0.0
Net Debt to Equity	0.0	(0.0)	0.1	(0.1)	(0.2)	(0.3)	(0.4)
Net Debt to EBITDA	0.1	(0.0)	0.1	(0.2)	(0.4)	(0.6)	(0.8)
Return Ratios (%)							
Return on Equity	7.8	23.8	30.4	19.1	19.9	18.7	17.9
Return on Capital Employed	11.6	27.2	34.8	24.6	24.7	22.8	21.4
Return on Invested Capital	15.6	43.5	46.5	33.9	44.2	44.2	46.8
Working Capital Ratios							
Payable Days (Nos)	56	48	37	32	32	32	32
Inventory Days (Nos)	179	140	143	136	136	136	136
Receivable Days (Nos)	6	4	8	11	11	11	11
Net Working Capital Days (Nos)	129	95	114	115	115	115	115
Net Working Capital to Sales (%)	35.3	26.1	31.2	31.6	31.6	31.6	31.6
Valuation (X)							
P/E	206.4	54.3	31.1	33.0	25.2	22.4	19.6
P/BV	16.1	12.5	9.0	6.1	5.0	4.2	3.5
EV/EBITDA	33.7	18.1	12.3	12.1	8.7	7.5	6.4
EV/Sales	7.9	5.2	3.6	3.2	2.5	2.1	1.8
Cash Flow Statement							
PBT	12.3	58.3	86.3	75.1	105.9	119.2	135.8
Adjustments	51.6	63.2	80.3	87.2	77.3	66.0	70.4
Change in Working Capital	5.2	(10.9)	(72.4)	(22.8)	(43.5)	(35.5)	(37.8)
Less: Tax Paid	(2.6)	(21.5)	(22.0)	(14.6)	(26.7)	(30.0)	(34.2)
Cash Flow from Operations	66.5	88.9	72.1	124.9	113.1	119.7	134.2
Net Capital Expenditure	(7.9)	(45.4)	(34.1)	(55.5)	(51.8)	(36.8)	(20.3)
Change in Investments	0.8	4.4	(0.0)	3.9	46.9	9.2	5.3
Cash Flow from Investing	(7.0)	(41.0)	(34.1)	(51.6)	(4.8)	(27.6)	(15.0)
Change in Borrowings	(27.2)	(28.6)	(9.0)	(53.0)	2.2	1.8	1.9
Less: Finance Cost	(24.8)	(24.1)	(28.2)	(31.4)	(33.9)	(35.2)	(35.9)
Proceeds from Equity	0.0	0.0	0.0	50.4	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Paid	(3.3)	(1.6)	(5.7)	(7.4)	(7.9)	(8.9)	(12.2)
Cash flow from Financing	(55.2)	(54.4)	(42.8)	(41.4)	(39.6)	(42.3)	(46.2)
Net Cash Flow	4.3	(6.4)	(4.8)	31.9	68.6	49.8	73.0
Forex Effect	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Opening Balance of Cash	4.1	8.3	3.2	1.4	35.1	103.7	153.5
Closing Balance of Cash	8.3	1.9	(1.6)	33.4	103.7	153.5	226.4

Source: Company Reports & Ventura Research

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