

Q4 2022

1. Financial Performance and Strategy

- **Narrative:** Management highlighted the continued focus on improving operational efficiencies to enhance Return on Capital Employed (ROCE). They linked this to robust topline and bottom-line growth, driven by favorable government policies and their asset-light business model. External factors, such as the India-Australia Economic Cooperation and Trade Agreement (ECTA), were also cited as contributing to future growth in textile and apparel exports.

- **Management's Guidance:**

- Management expects continued improvement in ROCE trajectory through operational efficiency enhancements. The India-Australia ECTA is projected to boost India's textile and apparel exports to US\$1.1 billion within three years. India's textile exports are anticipated to grow at a compound annual growth rate (CAGR) of approximately 11%, reaching \$65 billion by 2026 (from a pre-COVID level of \$36 billion in 2019).

Citations:

- [0b15fee1379681b352cc39495d3c2b84](#)
- [2335f76bc0d8181ae73e7aa9980eb09a](#)

- **Actual Results:**

['Q3', '2023']:

- In Q3 FY23, revenue grew by 2% to INR 717 crores. Nine-month FY23 revenue increased by 34% year-on-year to INR 2,428 crores due to improved product mix, better realization per piece, improved capacity utilization from Bangladesh and Vietnam factories, and improved operational efficiency in Bangladesh. Various other sources report revenue growth figures ranging from 1% to 42% year-on-year for different periods within Q3 FY23. The reported PBT for nine months FY23 was INR 120 crores, and PAT was INR 100 crores, a growth of 140% year-on-year. EBITDA grew 71% year-on-year for nine months FY23, and Q3 FY23 margins reached 10% versus 6% in Q3 FY22. ROCE improved from 12.4% at the end of FY22 to 22% in nine months of FY23. There are conflicting reports on specific revenue and profitability metrics for Q3 FY23. Citations support a range of results, highlighting inconsistencies in reported data.

Citations:

- [c519d5584a714dd7fc2e5db4d81c03bc](#)
- [0302017fc0cf93c59ccf53d4da3c749a](#)
- [98cc1b8c9fa5e381484423ce7cccc5f0](#)
- [8740431b66afa67483f1929f7bed9bf6](#)
- [a2720f8f9f2d6d2486b03c23f478ebac](#)
- [e4f14561ad5de629ec9dcbd93e5b32b8](#)
- [b1bdd481087b30004d5b965e893062c1](#)
- [1885e2051a99d03cf6cc3b401d81ed04](#)
- [394c452d4b77ea3da470e43d0d8a1b10](#)
- [a51d3621e692d370881ddaaa8b2eb2ee](#)
- [88740468d5a958a78255c06af1922f72](#)
- [deb0702837199b0b9cd38093d650db90](#)
- [32a266f199c2d58eb2def5118be88dcc](#)

['Q1', '2023']:

- In Q1 2023, revenue from operations surged 93% year-over-year to 327.9 INR CRS from 169.9 INR CRS in Q1 FY22. The partnership factory contribution to overall revenue increased significantly from 2.8% in Q1 FY22 to 21.3% in Q1 FY23 (1.9 million INR on a standalone basis). Management described this as the highest ever first-quarter revenue since inception. Standalone revenue increased due to higher contributions from in-house and partnership factories. While specific ROCE figures for Q1 2023 are not available from the provided data, the significant revenue increase suggests progress towards the management's guidance.

Citations:

- [eda72c5e86d09d8b0fda0b52876047dc](#)
- [054cbe9fa12691b879bcf3a78b40073d](#)

['Q4', '2022']:

- Revenue from Operations was INR 896.0 CRS in Q4 FY22, an 82% year-over-year increase. EBITDA was INR 41.0 CRS, a 162.2% increase from Q4 FY21. PAT was INR 28.5 CRS in Q4 FY22. ROCE improved to 12.4% in FY22 from 5.5% in FY21. Several sources report varying revenue growth figures (15%, 21%, 28.7%, 29%).

Citations:

['Q2', '2023']:

- In Q2 FY23, revenue from operations increased by 26% year-on-year to Rs.860.3 Crores on a consolidated basis and by 39% year-on-year to Rs.300.5 Crores on a standalone basis. H1 FY23 consolidated revenue increased by 53% year-on-year to Rs.1711.4 Crores, representing the highest ever half-yearly revenue. Standalone H1 FY23 revenue grew 62.7% year-on-year to Rs.628.4 Crores. EBITDA margin improved to 6.1% in Q2 FY23 from 5.9% in Q2 FY22 and to 7% in H1 FY23 from 5.2% in H1 FY22. ROCE improved significantly, from 12.4% in FY22 to 20.4% in H1 FY23 on a TTM basis (and from 10.3% to 16.2% on a standalone basis). Partnership factory contribution to overall revenue increased from 9% to 21% in H1 FY23.

Citations:

- [4a864a015b60a276b480ef6b2a8e8167](#)
- [5e92686ec3e64353b0953d603cb39c9d](#)
- [dfa1f2f79b333b0dff965b910c4c0773](#)
- [97aca4f6b5ca577a86a799744099374f](#)
- [d00ba7917174347a2ab8c1ddf289d053](#)
- [3425f6f16a11bca54a19a6681ee3f8de](#)
- [5d125b1b4bb8eaf57840341f397c7784](#)
- [975e3b3c47c9f5f1d1293bd112f397f5](#)
- [d75acb4c8fc082c4b5bc27ad6394eb3a](#)
- [f4630bc736bd4e4703f9a61b3ec29a1b](#)
- [1228eb89e7285a418911d6b044c9b77a](#)

- **Evaluation:**

- {'evaluation': 'Met expectations', 'evaluation_reason': "The substantial increase in revenue, EBITDA, PAT, and improvement in ROCE in Q4 2022

shows progress towards management's goal of enhancing operational efficiency and profitability, thus meeting expectations."}