



JOCKEY. *speedo*

Page Industries Limited

# **Business Analysis and Equity Valuation Report**

November 2025

This information is for educational purposes only and is not intended as investment advice or a professional recommendation.

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## Summary

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## Summary - Valuation Findings

### Equity Summary

CCA - P/E	₹15,439		₹16,902
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DCF - Perpetual Growth	₹12,734		₹16,103
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DCF - Exit Multiple	₹18,623		₹21,326
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₹ 10,000	₹ 14,000	₹ 18,000	₹ 22,000
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### Discounted Cash Flows

Page's current market capitalization is INR 49,451 crores. Using the perpetuity growth model under the discounted cash flows (DCF), where the risk-free rate of India is used as the terminal growth rate, we estimated the intrinsic equity value at INR 14,228 crores, which is around ~71% lower than the market value. On the other hand, DCF with the exit multiple approach incorporating the median P/E ratio of peer group, gives a valuation of INR 19,916 which is still around ~60% below the market value.

### Comparable Companies Analysis

We considered a group of three peer companies. While these peers operate on a much smaller scale compared to our company, they were selected as benchmarks since they are the only meaningful players in the innerwear space and deliver comparable margins. The valuation multiple selected for this approach was P/E ratio, which produced an intrinsic value of INR 16,171 crores 67% below the market price.

### Rationale behind overvaluation

On a pure fundamental basis, our valuations suggest that the stock is heavily overvalued ~64%. However, the premium in the market value is largely attributed to market leadership in a high-growth, under-penetrated segment as the innerwear market remains highly fragmented and dominated by unorganized players, who still account for around ~50% of total market, as growth in organized retail is on the rise driven by increase in disposable income, evolving consumer behavior towards fitness, comfort and brand value. The innerwear market awaits to be penetrated by organized and premium brands. The premium enjoyed by the company is also due to the competitive advantage it holds, Page commands near-monopoly in the premium innerwear space, benefiting from strong brand recall and pricing power. Page also delivers superior margins relative to the remaining few smaller peers making page attractive to the investors.

# Summary - Business Overview

## Company Overview

Page Industries headquartered in Bengaluru, is the exclusive licensee of JOCKEY International Inc. (USA) for manufacture, distribution and marketing. In 2011, Page also secured the license for Speedo International Ltd. from Pentland Group. Page Industries was founded by Sunder Genomal and his brothers, Nari and Ramesh. The company operates with 1,453+ exclusive brand stores (EBS), 1,216+ large format stores (LFS) and 1,10,826+ retail network.

## Business Presence

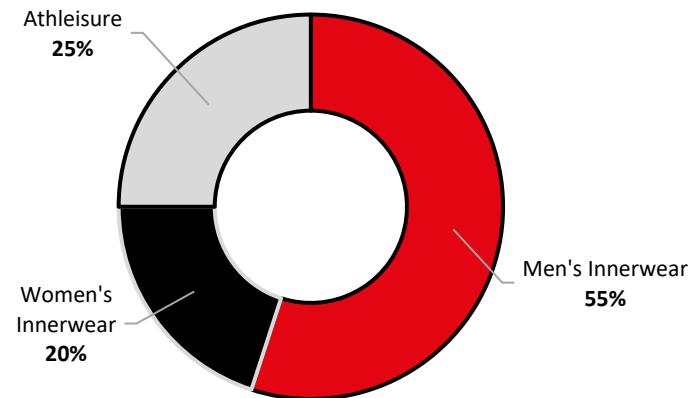
The company is the exclusive licensee of Jockey International Inc. (USA) for India, Sri Lanka, Nepal, Bangladesh, the United Arab Emirates, Oman, Qatar, Maldives, and Bhutan. Page Industries is also the exclusive licensee of Speedo International Ltd. for India and Sri Lanka. The company has 15 state-of-art manufacturing units, 14 in Karnataka and 1 Tamil Nadu. These make up to production capacity of 280 million pieces per annum.

## Key Products

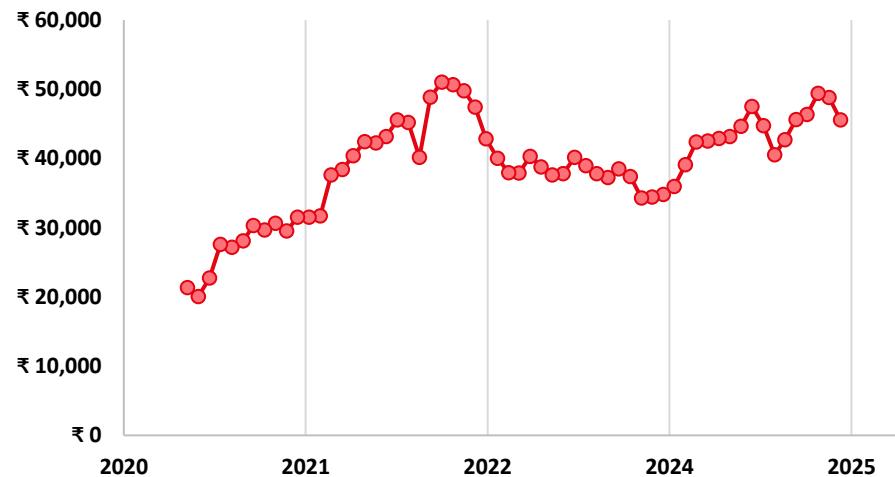
As the company operates under two brands, Jockey offering a broad portfolio including innerwear, athleisure, socks for men and women, thermal, towels, handkerchiefs, caps, and face Masks, catering both men and women.

Speedo, on the other hand, focuses on the aquatic segment with products such as swimwear, water shorts, apparel, equipment, and footwear.

## Segment-wise Revenue Mix



## 5-Year Monthly Share Price Performance



## Summary - Global Economy

During FY24, global economy showed stability and grew at 3.3% against 3.5% in FY23, supported by stabilization of inflationary pressures, lower energy and food prices.

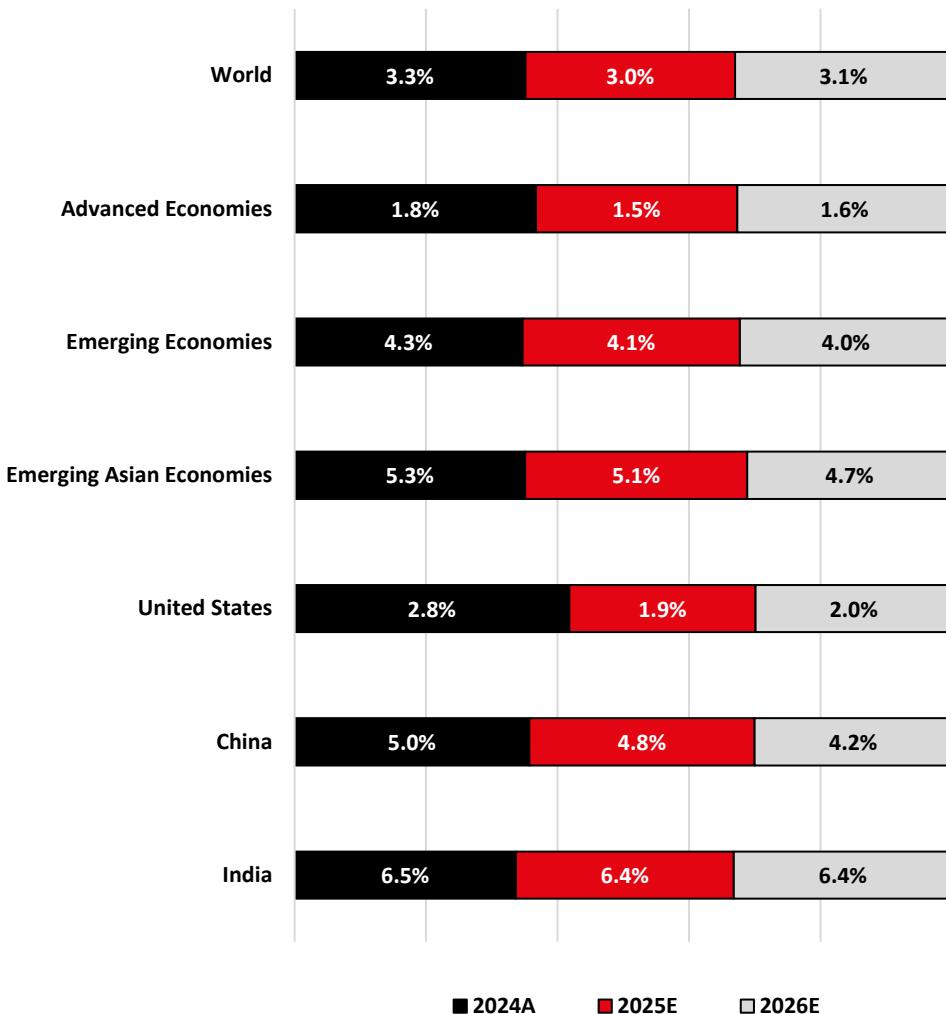
The imposition of new tariffs by the United States and subsequent responses from its trading partners have reshaped the trade environment. These changes have influenced global growth projections, as countries adapt to these adjustments, their impact on economic activity continues to evolve.

Due to this global economy saw a swift escalation in geopolitical uncertainties, impacted by these trade tensions, along with the ongoing conflicts. While expansions have been slowed in established nations, the emerging nations, Asia in particular, has sustained stable growth.

The United States is projected to fall at 1.9% in FY25 from 2.8% in FY24, along with the advanced and developed economies to fall at 1.5% in FY25 from 1.8% in FY24, while emerging Asian economies are expected to remain stable at 5.1%, with China at 4.8% and India at 6.4% in FY25. The world is projected to grow at 3.0% in FY25, and 3.1% in FY26, revised from earlier lower projection but remain much below the historical average of 3.7% during FY00 - FY19.

For a medium-term, the global economic performance is expected to remain mediocre. The forecasted rate for above five-year stands at 3.2%, which is still below historical average of 3.7%. The key driver for these sluggish medium-term growth is demographics. Population aging is expected to weigh significantly on productivity and labour force participation, ultimately affecting growth.

**Global GDP Growth (%)**



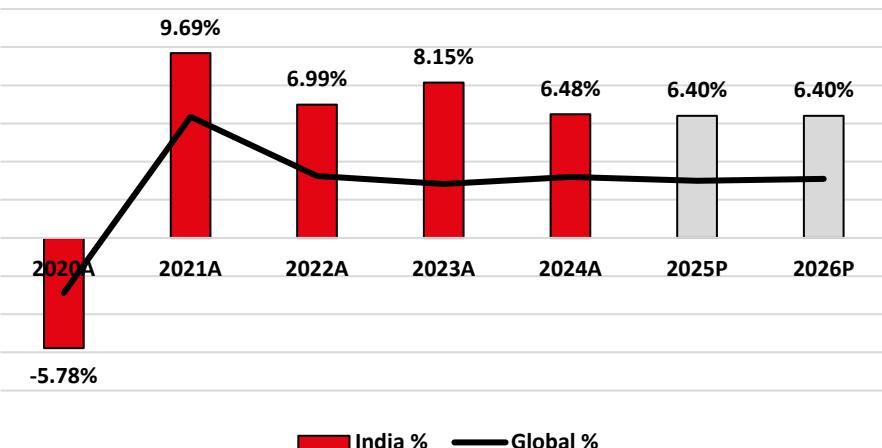
Source: Company Analysis, IMF World Economic Outlook

## Summary - Indian Economy

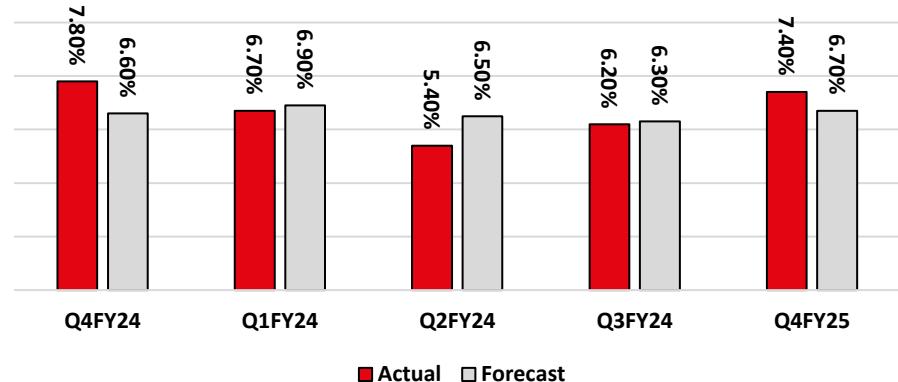
Despite global headwinds including trade tensions, geopolitical risks, and monetary tightening with increasing interest rates in advanced economies the Indian economy has demonstrated remarkable resilience. While the economy grew by 7.4% in the final quarter of FY24 with 6.5% growth for the whole year, driven by private consumption expenditure, investments and stabilization of inflation. India also surpassed Japan to be the fourth largest economy in FY25.

private consumption expenditure grew by 7.2% in FY24 well ahead of overall GDP growth. Exports saw a moderation in the fourth quarter of FY24 as it grew by 3.9% way behind the last three quarters with the average of 7.4%. Nonetheless, exports for the full fiscal year grew by 6.3%, an improvement compared to 2.2% in FY23. While the annual government capex for FY24 was just 2.3%.

### India vs Global GDP Growth (%)



### Indian GDP Quarterly Growth - Actual vs Projection



Retail inflation is eased at 2.10% in June FY25, marking its lowest since January 2019. This is primarily due to declining food prices. The Reserve Bank of India (RBI) has maintained an accommodative monetary policy stance, with the repo rate 5.50%, aiming to support growth amid stable inflation.

Real GDP growth is estimated at 6.4% for FY25, This marks the fourth consecutive year of above-6% growth, highlighting India's sustained economic momentum.

India continues to be the fastest growing country and has While the World Bank and IMF have revised India's growth forecasts to 6.3% and 6.4%, respectively, due to global uncertainties , India remains on track to become the world's third-largest economy by FY27.

Source: IMF, Macrotrends, Deloitte: India Economic Outlook

## Summary - Industry Overview

### Indian Textile & Apparel Industry

The Indian textile and apparel (T&A) industry is one of the oldest industries, contributing significantly for the economic and exports landscape. India is ranked second as the largest textile producer in the world, with 4.6% share in global trade. The industry contributes ~2.3% to the GDP and ~10.5% for the total export earnings.

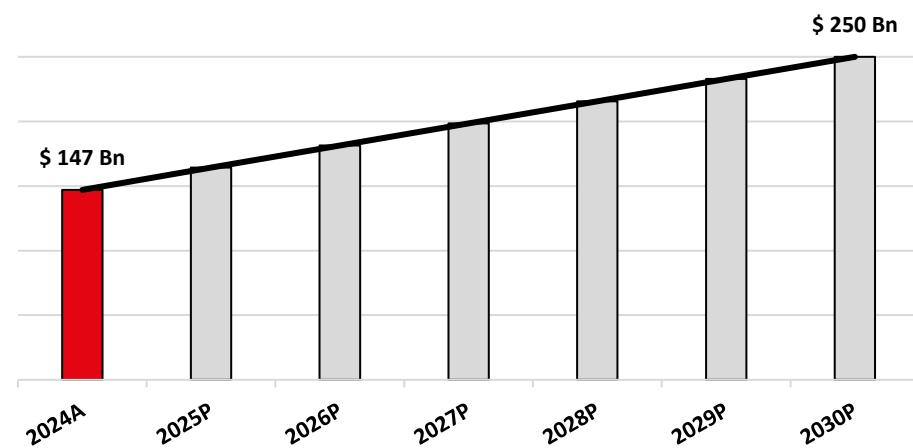
The total market size is estimated to be US\$ 184 billion in FY24, in which domestic market contributes ~80% to the market size while exports have a share of ~20%. Within domestic market, apparel accounts for ~75% share. The T&A market is required to grow by a compounded annual growth rate (CAGR) of 9% till FY30 to reach US\$ 250 billion, the target set by Ministry of Textiles, Govt. Of India.

### Indian Innerwear Industry

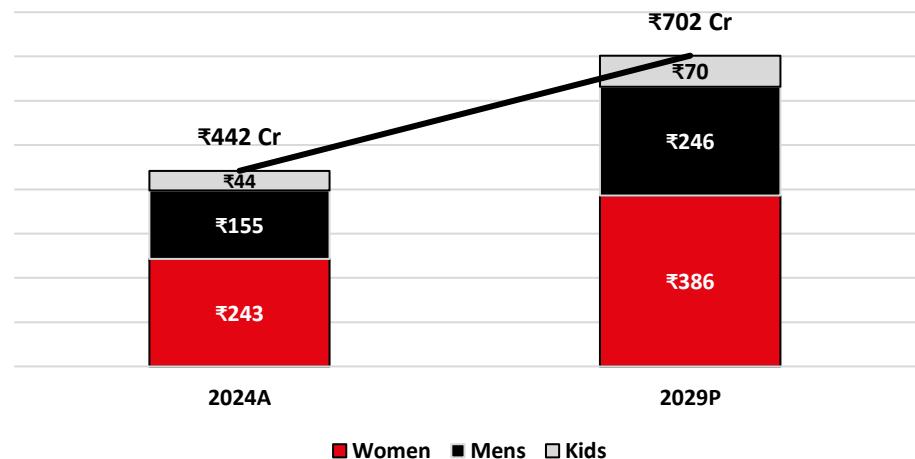
The Indian Innerwear Industry is valued at INR 667.03 billion in FY24, and is expected to reach INR 1,083.78 billion growing at a CAGR of 10% by FY29. This rapid expansion is expected to be driven by change in consumers attitude toward body positivity, self care and style.

The major segment, lingerie is valued at INR 441.85 billion in FY24, and is expected to grow at a CAGR of 9.7% and reach INR 701.86 billion by FY29. Women lingerie dominates this segment with whopping ~55% of lingerie segment being compromised to women lingerie, while men and kids undergarments compromised at ~35% and ~10% respectively. Women lingerie is valued at INR 243.02 billion in FY24 and is expected to reach to INR 386.08 billion, along with men and kids undergarments expected to reach INR 245.65 billion and INR 70.19 billion in FY29.

### Indian Textile & Apparel Industry Market Size



### Indian Lingerie Market



Source: Company Analysis

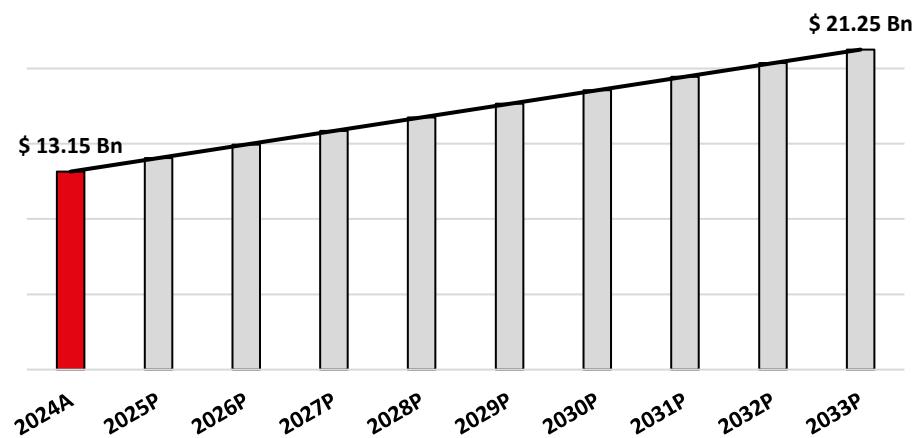
## Summary - Industry Overview

### Indian Athleisure Industry

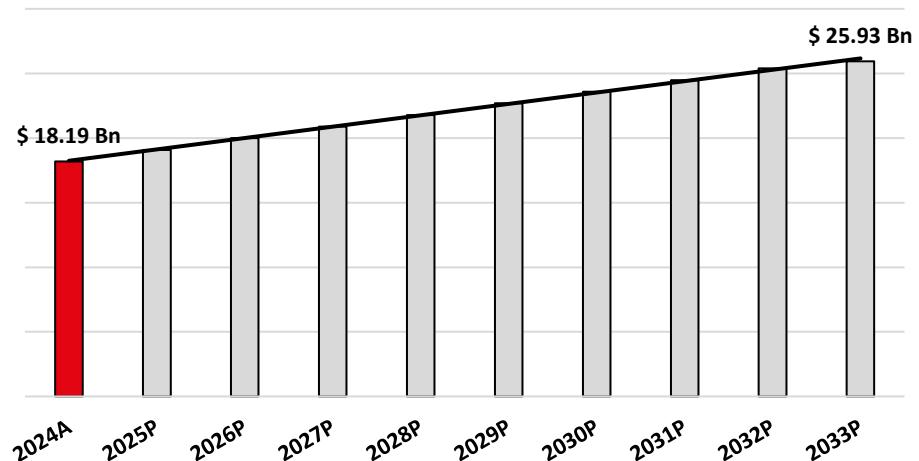
Indians are embracing active living like never before. The pandemic spurred a rise in home workouts and digital fitness programs, promoting consumers to invest in performance-driven activewears.

The Indian athleisure market is valued at US\$ 13.5 billion in FY24, and is expected to reach US\$ 21.25 billion in FY33 growing at a CAGR of 5.5%, this shift transformation is driven by evolving consumer lifestyle, digital retail expansion and growing emphasis towards health and sustainability as fitness has evolved from a lifestyle choice to a movement, reshaping fashion. Moreover, raising social media influence and celebrity endorsements have further fueled this trend.

### Indian Athleisure Market



### Global Swimwear Market



### Global Swimwear Industry

Swimming has gained popularity in the country not just as a sporting event but also as a recreational activity. The global swimwear market is valued at UD\$ 18.19 billion in FY24 and is expected to reach 25.93 billion by growing at a CAGR of 4.02% by 2033.

The Asia-Pacific (APAC) region dominates this market with the share of ~38%. APAC along with China and India are expected to experience higher swimwear growth compared to other regions in next 5 years. This is driven by increasing expenditure on lifestyle goods, coupled with an upsurge in preference for swimming as a leisure and recreational activity.

## Prognosis

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## Prognosis - Key Drivers

### Growth in Organised Retail

The Indian Innerwear market, once dominated by unorganised players, is now steadily transitioning towards branded and organised retail. This swift is driven by evolving consumer preference in fashion and brand awareness, and increase in disposable income. Organised and branded retail in women inner and comfort wear segment compromised just ~39% of total segment in FY23, and is expected to touch 41% in FY25. On the other hand, Men's inner and comfort wear segment had compromised ~62% of total segment in FY23, and is expected to touch 64% in FY25.

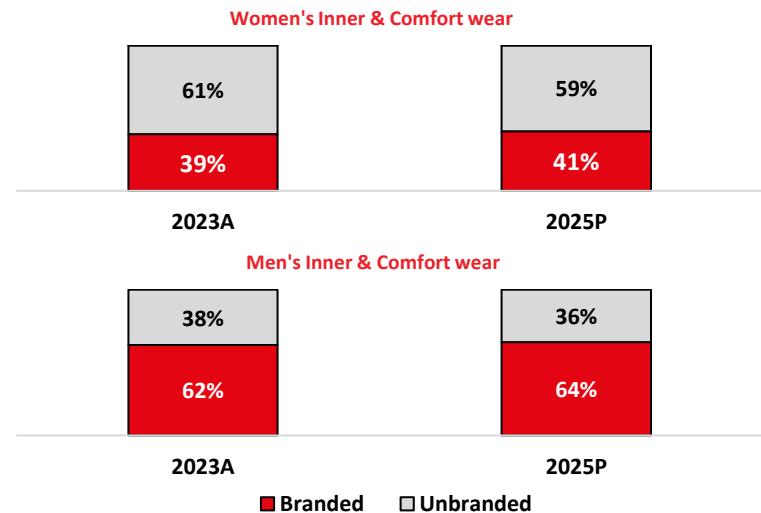
### Increase in Consumption

The number of consumers in India are expected to grow by 46% to 77.3 crores in FY30 from 52.9 in FY24. While, India's consumer market is expected to grow by 72% by FY30, driven by rising incomes, a young workforce, and rapid urbanization. Projections indicate that consumer spending will reach US\$ 4.3 trillion by FY30, up from US\$ 2.2 trillion in FY23. Recent data suggests shift in Indian consumer behavior from essentials to discretionary spending. As income being allocated on food is on decline, with more being allocated to consumer durables, non-essential and discretionary items. The same pattern is followed in rural areas as the expenditure on food has decreased but remains higher compared to urban areas. Reflecting the rise of India's middle class and increasing economic prosperity.

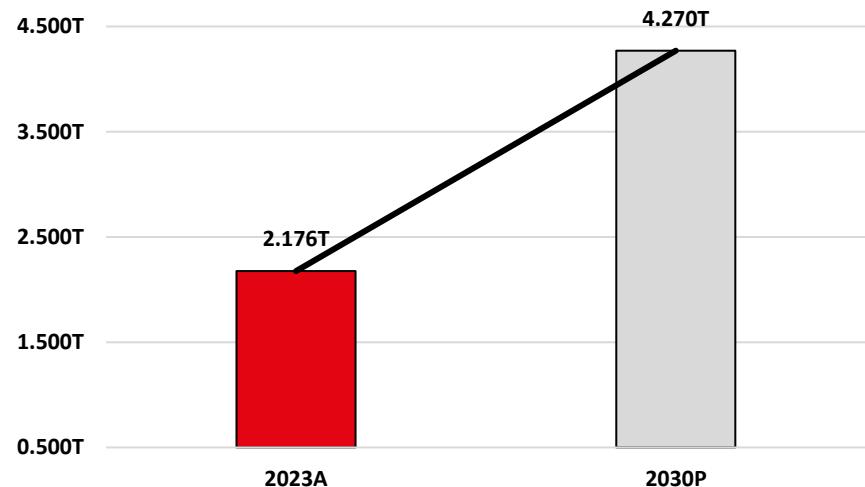
### Fashion & Brand Conscious

Along the rise in disposable income and increasing exposure to digital and other media, consumers are becoming more aware and fashion-conscious. The trend towards brand loyalty on the increase, where style and design are among the top-three consideration.

### Share of Branded-Unbranded Market by Gender



### India's Consumer Market



Source: Company Analysis, Macrotrends, Edelweiss

## Prognosis - Revenue

The company has posted a revenue of INR 4,582 crores in FY24, a 2.81% dip from its revenue in FY23. This dip was caused by abnormal increase in demand post-covid in FY22-FY23. However, this demand didn't last long hurting the inventory levels of companies operating in this segment along with Page.

The company has improved significantly throughout FY24, focusing on correcting its inventory, protecting and maintaining its margins without any hikes, one-offs or price increase, while focusing on value growth rather than growth by price increase. Resulting in a y-o-y revenue growth of 7.71% with the revenue of INR 4,935 crores in FY25.

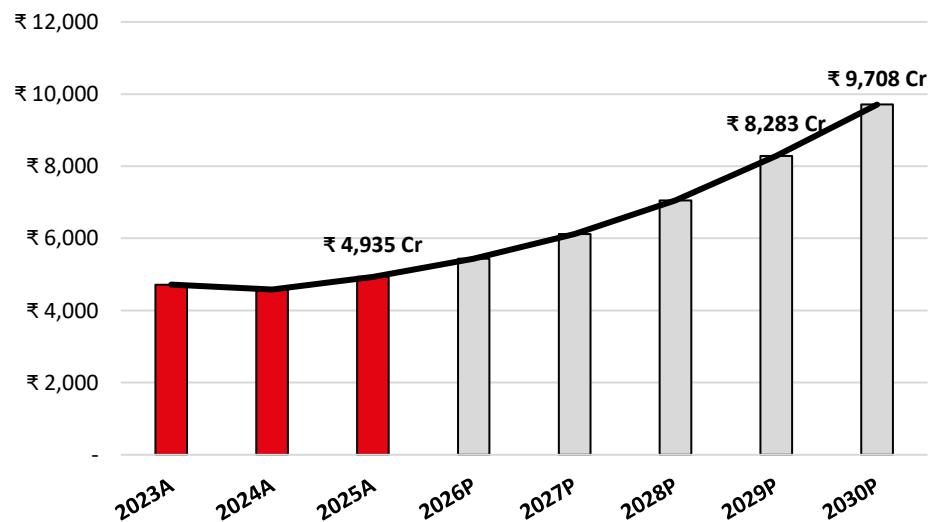
The company had previously set a target of achieving revenue of US\$ one billion (INR 8,300 crores) in FY26, this target was set before COVID and the disturbance in inventory channels. As a result, the management has postponed this target for the next 3-5 years as mentioned in their latest commentary. As for now, the management expects growth to gradually arrive along with the increase in consumer spending, growth in organised retail, increase in brand consciousness, and increase of women in urban workforce.

The consumer spending and demand is yet to be improved, the company has witnessed a slight revival of demand in last quarter of FY24, the consumer spending is expected improve significantly in late quarters of FY25 due the festive season. The new manufacturing facility in Odisha is expected to be operational and start production during the same period. The facility is expected to add 20% more capacity to the already existing capacity of 200 million pieces.

Innerwear market in India is fragmented, as organised innerwear retail is around ~50% of the total market, with Page's penetration in the market being just ~17%-19% while being the leader, shows how fragmented the innerwear market is and how much room is available for growth.

Considering the confidence of management for growth, with their confidence in the revival India's consumption, along with the company's target of one billion US\$, and other drivers already mentioned, we foresee a growth of 19%-21% for the medium term, and is expected to grow at a CAGR of 12% till FY35.

### Projected Revenue

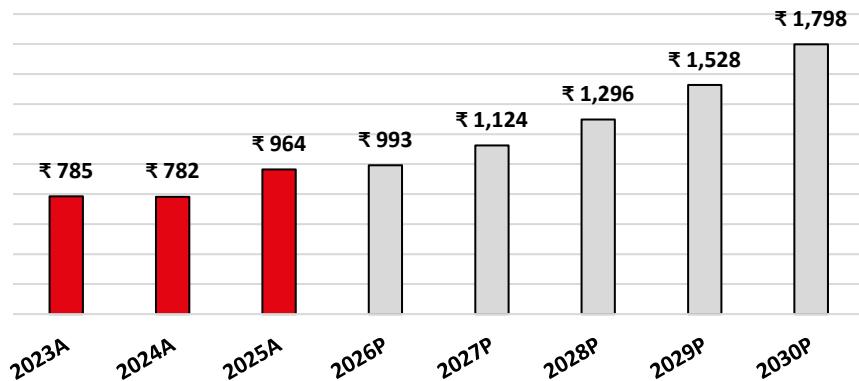


## Prognosis - Expenses

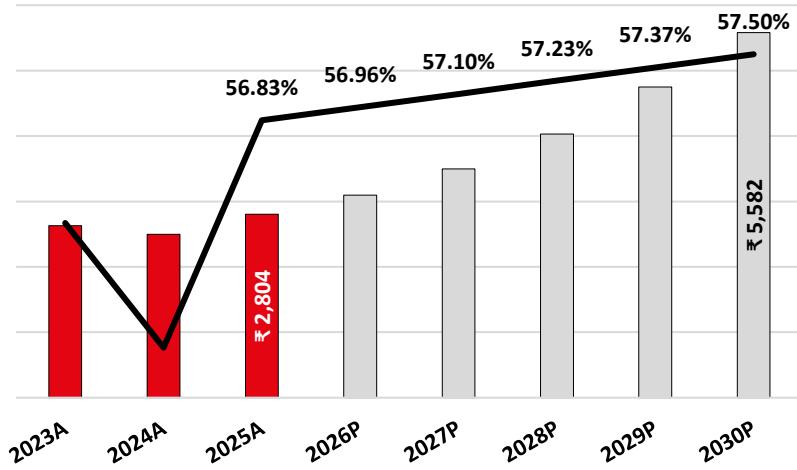
### Gross Margins

The company posted gross margins (GM%) of 56.83% In FY25, an increase of 2.32% compared to FY24. This improvement in margins was driven by two factors, stability in the raw material prices and improvement in production efficiency. The management claims the gross margin of FY25 to be sustainable in the long run in similar environment. Page maintains exceptional GM% compared to its peers, as the median GM% of the peers is around ~42%, while Page operates with GM% around 54%-56%. Over the last 6 years, the highest GM% was 58.06% in FY19. While, the lowest being 54.51% at FY24, at the median at 55.88%. The management has shown confidence on the cotton prices in their commentary, and expects the GM% to get healthier with the correction of inventory, supported by improving efficiency of sewing, and utilization of fabrics with lower cost in production. But, also claims the gross margins to hover around the same range without any major increase because of unforeseen challenges as inflation.

### Projected EBITDA



### Gross Profit & Margin



### Selling, General & Administration (SG&A)

The company posted EBITDA margins of 21.55% In FY25, an increase of 2.50% compared to FY24. This increase was driven higher production efficiency and controlled operating costs. The management has consistently shown confidence in maintaining EBITDA margins in the range of 19% to 21%. Even though production efficiency has improved, the company still prefers not to commit to margins above 21%, mainly due to the challenges they might face in the future such as inflation, salary and wage increases, and general market volatility. So, to stay cautious, the management is sticking to the EBITDA margins guidance of ~19%-21%.

## Prognosis - Working Capital

### Inventory Days

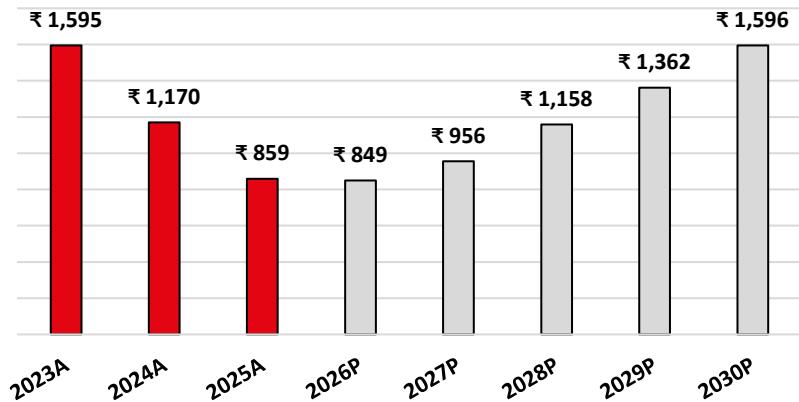
As the company faced the post-COVID demand spike in FY23, leading to aggressive inventory buildup. However, the demand normalised sooner than expected, resulting in excess inventory stuck across the distribution network.

During FY24 Page has showed resilience and significantly improved their inventory efficiency. Inventory days were at 10 year high with 124 days in FY23, which has been brought down to the 10 year low with 64 days in FY25. This sharp improvement in inventory levels is achieved by the implementation of Auto Replenishment System (ARS), a system where retailers automatically alert the company once products are sold, allowing faster replenishment. The management has showed unwavering confidence in ARS and highlighted that the full effect of ARS is yet to kick in.

According to the management, the company's core innerwear's segment is now operating around ideal level as of now, but the inventory for athleisure continues to be elevated, with its inventory being around ~50 days in FY25, a 7 days reduction from FY24. The management expects another 7-8 days reduction in the inventory for athleisure taking it around ~45 days.

Using this guidance and estimating based on the relation between total inventory and athleisure inventory, we project the overall inventory to fall at ~57 days in FY26 and FY27. After that we assume the inventory days to normalise to a more sustainable 60 days, which is still better than the historical average.

### Projected Inventory



### Debtors Days

Over the past 12 years, Page has maintained sundry debtors at a median of ~4.59% of the revenues, with the median turnover ratio of 25.7x and median debtor days at 17 days. Meanwhile, in the last 7 years, debtor days have improved and remained stable in the range of 12–14 days, reflecting improved operational efficiency and collection discipline. Given this consistency, we assumed debtor days to stay constant at the 5 year median of 14 days throughout the forecast.

### Creditors Days

The company has maintained creditors days at a median of ~5.22% of the revenues, with the median turnover ratio of 19.1x and median creditor days at 19 days which is consistent throughout the past 12 years except unexceptional years. Given this consistency, we assumed creditors days to stay constant at this median of 19 days throughout the forecast period.

## Prognosis – Fixed Assets

### Capex

Page being a capital-light business, growth does not come at the cost of heavy investments. The company manages to scale efficiently with limited CAPEX requirements, and historically, have median investments are ~2% of sales. reflecting the nature of the business. For FY26, management has guided for a CAPEX of ₹180 crore. Beyond this, we foresee the investments to remain steady at around 2% of revenues, in line with the company's past trend. This ensures that the business has enough capacity to support growth without becoming capital intensive.

### Fixed Assets

The planned CAPEX has been divided between property, plant & equipment, intangibles, and right-of-use assets, based on their historical investment splits. These allocations act as the annual additions to the fixed asset.

## Prognosis – Debt

### Borrowings

Page has consistently maintained a debt-free balance sheet, as the latest figures highlights 0 debt. Looking ahead, the company is expected to continue on the same path. Given its healthy profitability, and relatively low capital intensity, there is little reason for Page to raise debt to support growth. Therefore, we assume the company to remains debt-free throughout the forecast period.

### Lease Liabilities

While Page Industries has no borrowings and operates with a clean, debt-free balance sheet, lease liabilities represent the only financial obligations carried on its books. The lease liabilities have been projected in sync with right-of-use assets. As addition of new leases are recognized in right-of-use assets, the corresponding liabilities are recorded in lease liabilities, along with repayments and interest following the historical patterns.

## Prognosis – Forecasted Income Statement

in INR Crores unless stated otherwise	Actual		Explicit Forecast Period					Maturity Phase				
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	
<strong>Income Statement</strong>												
<strong>Revenue From Operations</strong>	₹ 4,935	₹ 5,437	₹ 6,123	₹ 7,047	₹ 8,283	₹ 9,708	₹ 11,650	₹ 13,327	₹ 14,873	₹ 16,182	₹ 17,153	
<strong>Revenue Growth</strong>	7.71%	10.17%	12.63%	15.08%	17.54%	17.20%	20.00%	14.40%	11.60%	8.80%	6.00%	
<strong>Less: Cost of Goods Sold</strong>	₹ (2,131)	₹ (2,340)	₹ (2,627)	₹ (3,014)	₹ (3,532)	₹ (4,126)	₹ (4,951)	₹ (5,754)	₹ (6,496)	₹ (7,189)	₹ (7,547)	
<strong>Gross Profit</strong>	₹ 2,804	₹ 3,097	₹ 3,496	₹ 4,033	₹ 4,752	₹ 5,582	₹ 6,699	₹ 7,573	₹ 8,377	₹ 8,993	₹ 9,606	
<strong>Gross Margin</strong>	56.83%	56.96%	57.10%	57.23%	57.37%	57.50%	57.50%	56.83%	56.33%	55.58%	56.00%	
<strong>Less: Selling, General and Admin (SG&amp;A)</strong>												
Less: Employee Benefits Expenses	₹ (821)	₹ (951)	₹ (1,072)	₹ (1,233)	₹ (1,450)	₹ (1,699)	₹ (2,039)	₹ (2,332)	₹ (2,603)	₹ (2,832)	₹ (3,002)	
Less: Power and Fuel Cost	-	₹ (33)	₹ (37)	₹ (42)	₹ (50)	₹ (58)	₹ (70)	₹ (80)	₹ (89)	₹ (97)	₹ (103)	
Less: General and Administration Cost	-	₹ (152)	₹ (171)	₹ (197)	₹ (232)	₹ (272)	₹ (326)	₹ (373)	₹ (416)	₹ (453)	₹ (480)	
Less: Selling and Distribution Cost	-	₹ (299)	₹ (337)	₹ (388)	₹ (456)	₹ (534)	₹ (641)	₹ (733)	₹ (818)	₹ (890)	₹ (943)	
Less: Miscellaneous Cost	-	₹ (22)	₹ (24)	₹ (28)	₹ (33)	₹ (39)	₹ (47)	₹ (53)	₹ (59)	₹ (65)	₹ (69)	
Less: Other expenses	₹ (920)	₹ (571)	₹ (643)	₹ (740)	₹ (870)	₹ (1,019)	₹ (1,223)	₹ (1,399)	₹ (1,562)	₹ (1,699)	₹ (1,801)	
<strong>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</strong>	₹ 1,063	₹ 1,069	₹ 1,212	₹ 1,405	₹ 1,662	₹ 1,961	₹ 2,353	₹ 2,602	₹ 2,830	₹ 2,957	₹ 3,208	
<strong>EBITDA Margins</strong>	21.55%	19.66%	19.80%	19.93%	20.07%	20.20%	20.20%	19.53%	19.03%	18.28%	18.70%	
<strong>Less: Depreciation and Amortization</strong>												
Depreciation	₹ (99)	₹ (76)	₹ (84)	₹ (96)	₹ (111)	₹ (127)	₹ (148)	₹ (170)	₹ (196)	₹ (223)	₹ (252)	
<strong>Earnings Before Interest, &amp; Taxes</strong>	₹ 964	₹ 993	₹ 1,128	₹ 1,308	₹ 1,552	₹ 1,834	₹ 2,206	₹ 2,432	₹ 2,634	₹ 2,734	₹ 2,956	
Add: Other Incomes	₹ 62	₹ 38	₹ 42	₹ 49	₹ 57	₹ 67	₹ 80	₹ 92	₹ 103	₹ 112	₹ 118	
Add: Financial Income	-	-	-	-	-	-	-	-	-	-	-	
Less: Finance Costs	₹ (46)	₹ (54)	₹ (61)	₹ (65)	₹ (72)	₹ (81)	₹ (93)	₹ (106)	₹ (119)	₹ (131)	₹ (142)	
<strong>Earnings Before Taxes</strong>	₹ 980	₹ 977	₹ 1,109	₹ 1,292	₹ 1,537	₹ 1,820	₹ 2,193	₹ 2,418	₹ 2,618	₹ 2,715	₹ 2,932	
<strong>Less: Taxes</strong>	₹ (249)	₹ (244)	₹ (277)	₹ (323)	₹ (384)	₹ (455)	₹ (548)	₹ (604)	₹ (654)	₹ (679)	₹ (733)	
<strong>Net Income</strong>	₹ 731	₹ 733	₹ 832	₹ 969	₹ 1,153	₹ 1,365	₹ 1,645	₹ 1,814	₹ 1,963	₹ 2,036	₹ 2,199	
<strong>Net Margins</strong>	14.82%	13.48%	13.58%	13.75%	13.92%	14.06%	14.12%	13.61%	13.20%	12.58%	12.82%	

# Prognosis – Forecasted Balance Sheet

in INR Crores unless stated otherwise	Actual		Explicit Forecast Period					Maturity Phase			
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
<b>Balance Sheet</b>											
<b>Assets</b>											
<b>Non-Current Assets</b>											
Net Property, Plant & Equipment	₹ 508	₹ 581	₹ 629	₹ 685	₹ 751	₹ 828	₹ 920	₹ 1,025	₹ 1,143	₹ 1,272	₹ 1,407
Capital Work in Progress	₹ 72	-	-	-	-	-	-	-	-	-	-
Net Intangible Assets	₹ 4	₹ 5	₹ 6	₹ 7	₹ 8	₹ 9	₹ 10	₹ 11	₹ 13	₹ 15	₹ 17
Right to Use Assets	₹ 245	₹ 275	₹ 261	₹ 246	₹ 231	₹ 216	₹ 203	₹ 186	₹ 162	₹ 126	₹ 72
Other financial assets	₹ 19	₹ 19	₹ 19	₹ 19	₹ 19	₹ 19	₹ 19	₹ 19	₹ 19	₹ 19	₹ 19
Deferred and Income Tax assets	₹ 28	₹ 28	₹ 28	₹ 28	₹ 28	₹ 28	₹ 28	₹ 28	₹ 28	₹ 28	₹ 28
Other Non-Current Assets	₹ 24	₹ 24	₹ 24	₹ 24	₹ 24	₹ 24	₹ 24	₹ 24	₹ 24	₹ 24	₹ 24
<b>Total Non-Current Assets</b>	<b>₹ 901</b>	<b>₹ 932</b>	<b>₹ 967</b>	<b>₹ 1,009</b>	<b>₹ 1,060</b>	<b>₹ 1,123</b>	<b>₹ 1,203</b>	<b>₹ 1,294</b>	<b>₹ 1,389</b>	<b>₹ 1,483</b>	<b>₹ 1,567</b>
<b>Current Assets</b>											
Inventory	₹ 859	₹ 849	₹ 956	₹ 1,158	₹ 1,362	₹ 1,596	₹ 1,915	₹ 2,191	₹ 2,445	₹ 2,660	₹ 2,820
Debtors	₹ 192	₹ 209	₹ 235	₹ 270	₹ 318	₹ 372	₹ 447	₹ 511	₹ 570	₹ 621	₹ 658
Cash and cash equivalents	₹ 238	₹ 81	₹ 105	₹ 125	₹ 152	₹ 183	₹ 215	₹ 249	₹ 283	₹ 317	₹ 352
Bank balance other than cash and cash equivalents	₹ 233	₹ 731	₹ 944	₹ 1,125	₹ 1,372	₹ 1,646	₹ 1,932	₹ 2,239	₹ 2,549	₹ 2,850	₹ 3,165
Other financial assets	₹ 1	₹ 1	₹ 1	₹ 1	₹ 1	₹ 1	₹ 1	₹ 1	₹ 1	₹ 1	₹ 1
Other Current Assets	₹ 220	₹ 196	₹ 220	₹ 254	₹ 298	₹ 349	₹ 419	₹ 480	₹ 535	₹ 583	₹ 618
<b>Total Current Assets</b>	<b>₹ 1,742</b>	<b>₹ 2,066</b>	<b>₹ 2,461</b>	<b>₹ 2,933</b>	<b>₹ 3,503</b>	<b>₹ 4,147</b>	<b>₹ 4,929</b>	<b>₹ 5,670</b>	<b>₹ 6,384</b>	<b>₹ 7,031</b>	<b>₹ 7,612</b>
<b>Total Assets</b>	<b>₹ 2,643</b>	<b>₹ 2,998</b>	<b>₹ 3,428</b>	<b>₹ 3,942</b>	<b>₹ 4,563</b>	<b>₹ 5,270</b>	<b>₹ 6,132</b>	<b>₹ 6,964</b>	<b>₹ 7,773</b>	<b>₹ 8,514</b>	<b>₹ 9,179</b>
<b>Equity</b>											
Equity share capital	₹ 11	₹ 11	₹ 11	₹ 11	₹ 11	₹ 11	₹ 11	₹ 11	₹ 11	₹ 11	₹ 11
Other equity	₹ 1,396	₹ 1,689	₹ 2,003	₹ 2,348	₹ 2,732	₹ 3,157	₹ 3,632	₹ 4,115	₹ 4,595	₹ 5,048	₹ 5,488
<b>Total equity</b>	<b>₹ 1,407</b>	<b>₹ 1,700</b>	<b>₹ 2,014</b>	<b>₹ 2,359</b>	<b>₹ 2,743</b>	<b>₹ 3,168</b>	<b>₹ 3,643</b>	<b>₹ 4,126</b>	<b>₹ 4,606</b>	<b>₹ 5,059</b>	<b>₹ 5,499</b>
<b>Liabilities</b>											
<b>Non-Current Liabilities</b>											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Lease Liability	₹ 221	₹ 230	₹ 226	₹ 231	₹ 245	₹ 268	₹ 301	₹ 341	₹ 384	₹ 428	₹ 469
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-
Other non current liabilities	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4
<b>Total Non-Current Liabilities</b>	<b>₹ 225</b>	<b>₹ 234</b>	<b>₹ 230</b>	<b>₹ 235</b>	<b>₹ 249</b>	<b>₹ 272</b>	<b>₹ 306</b>	<b>₹ 346</b>	<b>₹ 389</b>	<b>₹ 433</b>	<b>₹ 474</b>
<b>Current Liabilities</b>											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Lease Liability	₹ 41	₹ 69	₹ 68	₹ 69	₹ 73	₹ 80	₹ 90	₹ 102	₹ 115	₹ 128	₹ 141
Trade payables	₹ 255	₹ 283	₹ 319	₹ 367	₹ 431	₹ 505	₹ 606	₹ 694	₹ 774	₹ 842	₹ 893
Other financial liabilities	₹ 526	₹ 603	₹ 679	₹ 782	₹ 919	₹ 1,077	₹ 1,292	₹ 1,478	₹ 1,649	₹ 1,795	₹ 1,902
Other current liabilities	₹ 155	₹ 75	₹ 85	₹ 98	₹ 115	₹ 134	₹ 161	₹ 185	₹ 206	₹ 224	₹ 238
Liabilities for current tax (net)	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4	₹ 4
Provisions	₹ 29	₹ 29	₹ 29	₹ 29	₹ 29	₹ 29	₹ 29	₹ 29	₹ 29	₹ 29	₹ 29
<b>Total Non-Current Liabilities</b>	<b>₹ 1,010</b>	<b>₹ 1,063</b>	<b>₹ 1,183</b>	<b>₹ 1,348</b>	<b>₹ 1,571</b>	<b>₹ 1,830</b>	<b>₹ 2,183</b>	<b>₹ 2,492</b>	<b>₹ 2,778</b>	<b>₹ 3,023</b>	<b>₹ 3,207</b>
<b>Total Liabilities and Equity</b>	<b>₹ 2,643</b>	<b>₹ 2,998</b>	<b>₹ 3,428</b>	<b>₹ 3,942</b>	<b>₹ 4,563</b>	<b>₹ 5,270</b>	<b>₹ 6,132</b>	<b>₹ 6,964</b>	<b>₹ 7,773</b>	<b>₹ 8,514</b>	<b>₹ 9,179</b>

## Valuation

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# Valuation - Objectives & Methodology

## Objectives

The objective of this report is to estimate the intrinsic value of Page Industries Ltd.'s stock price. The analysis aims to assess the company's future cash flows, risks and growth associated with the business. Aspects of this valuation have been drawn out on a subjective basis while also being in tandem with management guidance.

## Valuation Methodology

The Income approach, the Market approach and the Asset approach are primarily the three valuation approaches that can be applied to assess a company's value.

The relevancy of the approaches may vary from company to company as not all approaches will give a fair estimate of a company's value. Hence, the approach most suitable for a business/company must be applied as per common valuation practices.

The three approaches use the following methodologies:

1. Market Approach – Comparable transaction or Comparable companies Method
2. Income Approach – Discounted Cash Flow Method, Adjusted Present Value
3. Asset Approach – Net Asset Value Method

## Market Approach

Under this approach, we measure the value of the company by applying the market multiples of listed companies which trade actively and possess attributes similar and comparable with the target company.

This methodology is based on the principle that such market pricing is taking place between informed buyers and informed sellers while considering all the relevant factors. Not all multiples are applicable to every company. Therefore, the relevant multiples should be chosen carefully and adjusted for differences between the comparable.

## Income Approach

Under this approach, the value of business is derived by considering the cash flows, future growth and the weighted average cost of capital that signifies risk.

There are four major steps in the Income Approach:

1. Forecasting future cash flows for the explicit growth period.
2. Discounting those cash flows to their present value at a rate of return that reflects the risk of realizing the future cash flows and expected growth.
3. Calculating the terminal value of free cash flows after the explicit growth period.
4. Adding the present value of terminal cash flows and the present value of free cash flows during the explicit forecast period.

## Asset Approach

Under this approach, the value of business is derived basis difference between the value of assets and liabilities. This approach focuses on determining the value of net assets from the perspective of equity valuation. The value of net assets can be determined as follows:

Net assets = Total Assets – Total External Liabilities. The value of net assets is also known as Total Equity.

# Valuation - Weighted Average Cost of Capital

Particulars	Low	Mid	High
Risk-Free Rate	5.85%	5.85%	5.85%
Equity Risk Premium	5.14%	5.14%	5.14%
Asset Beta	1.02	1.07	1.12
D/E Ratio	2.55%	2.55%	2.55%
Equity Beta	1.04	1.09	1.14
<b>CAPM Cost of Equity</b>	<b>11.19%</b>	<b>11.45%</b>	<b>11.71%</b>
Small Size Risk Premium	3.60%	3.60%	3.60%
Asset Specific Risk Premium	-	-	-
<b>Modified Cost of Equity</b>	<b>14.79%</b>	<b>15.05%</b>	<b>15.31%</b>
Pre-Tax Cost of Debt	6.97%	6.97%	6.97%
Marginal Tax Rate	25.00%	25.00%	25.00%
<b>Post-Tax Cost of Debt</b>	<b>5.23%</b>	<b>5.23%</b>	<b>5.23%</b>
Market Value of Equity	₹ 49,451	₹ 49,451	₹ 49,451
Market Value of Debt	₹ 1,263	₹ 1,263	₹ 1,263
Debt to Capital (D/D+E)	2.49%	2.49%	2.49%
Equity to Capital (E/D+E)	97.51%	97.51%	97.51%
Weighted Average Cost of Capital	14.55%	14.81%	15.06%
<b>Weighted Average Cost of Capital (Rounded)</b>	<b>14.56%</b>	<b>14.90%</b>	<b>15.10%</b>

1. Tax rate considered as Marginal Tax Rate of India.

2. Asset Beta considered as the median 2 year weekly beta of comparable comps adjusted for Blume Effect.

3. Equity Beta = Asset Beta \* (1+(1-Tax rate)\*Debt /Equity)

## Risk-Free Rate

We have considered 5.85% as our Risk-Free Rate for the estimation Cost of Equity of 11.45% The Risk-Free Rate of India is calculated by considering the local currency 10 years government bond adjusted with default spread of India.

## Equity Risk Premium

An Equity Risk Premium (ERP) of 5.14% has been adopted, deprived on the US implied ERP adjusted for India's country risk premium (CRP). The CRP for India is estimated by calculating the relative volatility between the historical 10-year local currency government bond yield and the Nifty 50 Index, and then multiplying this ratio by India's default spread.

## Asset Beta

We have estimated a Asset Beta range from 1.02 to 1.12 with a mid-point of 1.07. This is derived from the median 2 years weekly Asset Beta of benchmark listed companies adjusted for Blume Effect.

## Cost of Debt

For assessing Cost of Debt, we have used country's Risk-Free Rate, country's default spread, and corporate default spread based on company's credit rating and interest coverage ratio.

## Small Size Premium

Empirical evidence shows that small-cap assets have historically outperformed large-cap assets. For our analysis, we have relied on a study by Incwert on the size premium, defined as the difference between actual returns and CAPM-expected returns arranged in decline basis using market capitalization of Indian companies.

## Market Value of Debt

We have estimated the Market Value of Debt (MVD) of 1,263 crores, as compared to the book value of debt of 262 crores. The MVD has been computed by discounting the company's interest payments over an average maturity of 5 years at the pre-tax cost of debt of 6.97%.



## Valuation - Discounted Cash Flows Analysis

in INR Crores unless stated otherwise	Actual		Explicit Forecast Period					Maturity Phase			
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
<b>Free Cash Flows to Firm</b>											
EBITDA	₹ 1,063	₹ 1,069	₹ 1,212	₹ 1,405	₹ 1,662	₹ 1,961	₹ 2,353	₹ 2,602	₹ 2,830	₹ 2,957	₹ 3,208
Less: Depreciation & Amortisation	₹ (99)	₹ (76)	₹ (84)	₹ (96)	₹ (111)	₹ (127)	₹ (148)	₹ (170)	₹ (196)	₹ (223)	₹ (252)
<b>EBIT</b>	<b>₹ 964</b>	<b>₹ 993</b>	<b>₹ 1,128</b>	<b>₹ 1,308</b>	<b>₹ 1,551</b>	<b>₹ 1,834</b>	<b>₹ 2,206</b>	<b>₹ 2,432</b>	<b>₹ 2,634</b>	<b>₹ 2,734</b>	<b>₹ 2,956</b>
Less: Taxes	₹ (249)	₹ (244)	₹ (277)	₹ (323)	₹ (384)	₹ (455)	₹ (548)	₹ (604)	₹ (654)	₹ (679)	₹ (733)
<b>NOPAT</b>	<b>₹ 715</b>	<b>₹ 749</b>	<b>₹ 851</b>	<b>₹ 985</b>	<b>₹ 1,167</b>	<b>₹ 1,379</b>	<b>₹ 1,657</b>	<b>₹ 1,827</b>	<b>₹ 1,979</b>	<b>₹ 2,056</b>	<b>₹ 2,223</b>
Add: Depreciation & Amortisation	₹ 99	₹ 76	₹ 84	₹ 96	₹ 111	₹ 127	₹ 148	₹ 170	₹ 196	₹ 223	₹ 252
<b>Cash NOPAT</b>	<b>₹ 814</b>	<b>₹ 825</b>	<b>₹ 935</b>	<b>₹ 1,082</b>	<b>₹ 1,278</b>	<b>₹ 1,506</b>	<b>₹ 1,805</b>	<b>₹ 1,998</b>	<b>₹ 2,175</b>	<b>₹ 2,279</b>	<b>₹ 2,474</b>
Less: Reinvestments											
Change in Working Capital	₹ 363	₹ 42	₹ (37)	₹ (108)	₹ (77)	₹ (88)	₹ (120)	₹ (104)	₹ (96)	₹ (81)	₹ (60)
Capex	₹ (80)	₹ (78)	₹ (52)	₹ (60)	₹ (71)	₹ (83)	₹ (99)	₹ (114)	₹ (127)	₹ (138)	₹ (146)
<b>Free Cash Flows to Firm</b>	<b>₹ 1,098</b>	<b>₹ 789</b>	<b>₹ 846</b>	<b>₹ 914</b>	<b>₹ 1,131</b>	<b>₹ 1,335</b>	<b>₹ 1,585</b>	<b>₹ 1,780</b>	<b>₹ 1,953</b>	<b>₹ 2,060</b>	<b>₹ 2,268</b>
Discount Period (Years)	Mid Year? <input checked="" type="checkbox"/> yes		0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5
Discount Rate (WACC)	<b>14.90%</b>										
Present Value Factor		0.933	0.812	0.707	0.615	0.535	0.466	0.405	0.353	0.307	0.267
<b>Present Value of Future Cash Flows</b>	<b>₹ 736</b>	<b>₹ 687</b>	<b>₹ 646</b>	<b>₹ 695</b>	<b>₹ 715</b>	<b>₹ 739</b>	<b>₹ 722</b>	<b>₹ 689</b>	<b>₹ 632</b>	<b>₹ 606</b>	

<b>Perpetual Growth</b>	
Perpetual Growth Rate	5.85%
Terminal Year FCF * (1+PGR)	₹ 2,401
<b>Terminal Value</b>	<b>₹ 26,529</b>
Present Value of Terminal Value	₹ 7,090
Present Value of FCFs	₹ 6,866
<b>Enterprise Value</b>	<b>₹ 13,957</b>
Implied Exit Multiple	4.35x
Implied EV/EBITDA	13.13x
Less: Debt	₹ (271)
Add: Cash	₹ 471
Add: Non-Operating Assets	₹ 71
<b>Equity Value to Shareholders</b>	<b>₹ 14,228</b>
Shares Outstanding	1.12
<b>Equity Value per Share</b>	<b>₹ 12,704</b>

<b>Exit Multiple</b>	
Exit Multiple	21.74x
Terminal Year Net Profit	₹ 2,199
<b>Terminal Value</b>	<b>₹ 47,810</b>
Present Value of Terminal Value	₹ 12,779
Present Value of FCFs	₹ 6,866
<b>Enterprise Value</b>	<b>₹ 19,645</b>
Implied Exit Multiple	8.93x
Implied P/E	26.86x
Less: Debt	₹ (271)
Add: Cash	₹ 471
Add: Non-Operating Assets	₹ 71
<b>Equity Value to Shareholders</b>	<b>₹ 19,916</b>
Shares Outstanding	1.12
<b>Equity Value per Share</b>	<b>₹ 17,783</b>

Terminal %	<b>WACC</b>				
	13%	14%	15%	16%	17%
4%	₹ 15,985	₹ 14,248	₹ 12,835	₹ 11,665	₹ 10,682
5%	₹ 17,095	₹ 15,073	₹ 13,462	₹ 12,151	₹ 11,065
6%	₹ 18,520	₹ 16,103	₹ 14,228	₹ 12,734	₹ 11,517
7%	₹ 20,416	₹ 17,425	₹ 15,184	₹ 13,446	₹ 12,058
8%	₹ 23,063	₹ 19,184	₹ 16,412	₹ 14,334	₹ 12,720

Exit x	<b>WACC</b>				
	13%	14%	15%	16%	17%
19.7x	₹ 21,475	₹ 20,049	₹ 18,741	₹ 17,540	₹ 16,436
20.7x	₹ 22,169	₹ 20,688	₹ 19,329	₹ 18,081	₹ 16,935
21.7x	₹ 22,864	₹ 21,326	₹ 19,916	₹ 18,623	₹ 17,434
22.7x	₹ 23,558	₹ 21,965	₹ 20,504	₹ 19,164	₹ 17,933
23.7x	₹ 24,253	₹ 22,604	₹ 21,092	₹ 19,705	₹ 18,432

# Valuation - Comparable Companies Analysis

in INR Crores unless stated otherwise

Company Name	Ticker	Share Price	Market Capitalization	Net Profit	FY2025 Price / Earnings
Page Industries Ltd.	NSE: PAGEIND	₹ 44,335	₹ 49,451	₹ 731	67.61x
Lux Industries Ltd	NSE: LUXIND	₹ 1,275	₹ 3,835	₹ 165	23.24x
Rupa & Company Ltd	NSE: RUPA	₹ 189	₹ 1,503	₹ 83	18.04x
Dollar Industries Ltd	NSE: DOLLAR	₹ 353	₹ 2,000	₹ 92	21.74x
Max					18.04x
75th Percentile					22.49x
Average					21.01x
Median					21.74x
25th Percentile					19.89x
Max					23.24x

Price / Earning	Low	Mid	High
Net Profit	₹ 731	₹ 731	₹ 731
Adjusted Price / Earning	20.74x	21.74x	22.74x
Enterprise Value	₹ 15,168	₹ 15,899	₹ 16,631
Less: Debt	₹ (271)	₹ (271)	₹ (271)
Add: Cash	₹ 471	₹ 471	₹ 471
Add: Non-Operating Assets	₹ 71	₹ 71	₹ 71
<b>Equity Value to Shareholders</b>	<b>₹ 15,439</b>	<b>₹ 16,171</b>	<b>₹ 16,902</b>
Shares Outstanding	1.12	1.12	1.12
<b>Equity Value per Share</b>	<b>₹ 13,785</b>	<b>₹ 14,438</b>	<b>₹ 15,091</b>

## Rationale for CCA

We selected a group of three peers from the innerwear segment. While the difference in market capitalization between our company and these peers is significant, they were chosen as benchmarks as they represent the only comparable players in the space with somewhat similar margins. Despite being much smaller in scale, these companies provide a useful point of reference given the limited peer set available. The multiple selected for this analysis was Price-to-Earnings ratio. The reason for this choice lies in the capital-light nature of the business model and negligible or no debt. PE serves as a more appropriate metric than EV/EBITDA or EV/Sales in this case, as it directly reflects profitability without distortions from financing structures.

## Valuation

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## Annexure - WACC Inputs

### Risk-Free Rate

#### Risk-Free Rate Estimation

Country	India
India's 10 Year Government Bond	6.52%
India's Country Default Spread (CDS)	0.67%
India's Risk-Free Rate	5.85%

### Equity Risk Premium

#### Equity Risk Premium Estimation

Mature Market ERP	3.84%
Relative Volatility for Equity Market	1.94
India's Country Default Spread (CDS)	0.67%
India's Country Risk Premium (CRP)	1.30%
India's Equity Risk Premium (ERP)	5.14%

### Size Premium

Table 1: Aggregate market capitalisation and company count by portfolio size/deciles  
31 DECEMBER 2023

	Smallest Decile company	Largest company	Percentile	Largest company name	No. of companies	Total M.cap (in crore)	Percentage of total capitalisation	Cumulative percentage
1-Largest	77,021.4	1,749,005	1,749,005	Reliance Industries Ltd.	95	22,916,179	64.43%	64.43%
2	36,849.0	76,313	76,915	Jindal Steel & Power Ltd.	94	5,031,719	14.15%	78.58%
3	17,856.6	36,718	36,810	Thermax Ltd.	113	2,959,415	8.32%	86.90%
4	10,539.8	17,810	17,844	Cochin Shipyard Ltd.	122	1,657,129	4.66%	91.56%
5	6,560.8	10,523	10,528	Supreme Petrochem Ltd.	141	1,175,787	3.31%	94.87%
6	3,741.4	6,546	6,548	Security And Intelligence Services India Ltd.	151	746,574	2.10%	96.97%
7	2,115.2	3,714	3,726	Kotla Patil Developers Ltd.	188	524,323	1.47%	98.44%
8	959.8	2,113	2,113	Accelya Solutions India Ltd.	226	333,450	0.94%	99.38%
9	376.3	960	960	S Chand And Co Ltd.	236	147,861	0.42%	99.80%
10-smallest	1.9	375	376	Kothari Products Ltd.	518	72,470	0.20%	100.00%
Large-Cap 1-2					189	27,947,898	78.58%	78.58%
Mid-Cap 3-5					376	5,792,331	16.29%	94.87%
Small-Cap 6-8					565	1,604,346	4.51%	99.38%
Micro-Cap 9-10					754	220,332	0.62%	100.00%

Decile	SUM Beta	Annual return (Arithmetic mean)	Return in Excess of Risk-free Rate (as predicted by CAPM)		Size Premium	Average M.Cap (INR crore)	Smoothed Size Premium
			Rate (actual)	by CAPM			
1-Largest	1.12	15.5%	5.7%	6.9%	-1.2%	2,41,223	2.6%
2	1.01	24.0%	14.3%	6.2%	8.1%	53,529	5.6%
3	1.05	23.4%	13.6%	6.5%	7.2%	26,190	7.0%
4	1.19	25.4%	15.6%	7.3%	8.3%	13,583	8.3%
5	1.34	28.9%	19.1%	8.2%	10.9%	8,339	9.3%
6	1.39	29.3%	19.6%	8.5%	11.0%	4,944	10.4%
7	1.37	32.3%	22.5%	8.4%	14.1%	2,789	11.5%
8	1.37	31.5%	21.7%	8.4%	13.3%	1,475	12.8%
9	1.33	29.3%	19.6%	8.2%	11.4%	627	14.5%
10-smallest	1.18	33.4%	23.7%	7.3%	16.4%	140	17.4%
Large-Cap 1-2	1.11	16.7%	6.9%	6.8%	0.1%	1,47,872	3.6%
Mid-Cap 3-5	1.15	25.0%	15.3%	7.0%	8.2%	15,405	8.1%
Small-Cap 6-8	1.38	31.0%	21.2%	8.5%	12.8%	2,840	11.5%
Micro-Cap 9-10	1.28	31.0%	21.3%	7.9%	13.4%	292	16.0%

As Page's market cap is ~INR 49,451 crores, its falls under "Large-Cap 1-2" group, the smoothed size premium for that particular group "3.6%" is incorporated as the size-premium for our WACC calculation.

Source: Incwert "2024 India Size Premium Study"

## Annexure - WACC Inputs

### Beta Analysis - 2 Year Weekly

Comparable Companies	Market Capitalization	Debt	Marginal Tax Rate	Debt to Equity	Debt to Capital	Equity Beta	Asset Beta
Lux Industries	₹ 3,939.4	₹ 316.7	25.00%	8.04%	7.44%	1.36	1.28
Dollar Industries	₹ 2,035.5	₹ 310.8	25.00%	15.27%	13.25%	0.84	0.76
Rupa & Company	₹ 1,597.3	₹ 237.9	25.00%	14.90%	12.96%	1.56	1.40
K P R Mill Ltd	₹ 34,413.8	₹ 466.0	25.00%	1.35%	1.34%	0.82	0.81
Aditya Birla Lifestyle	₹ 16,638.8	₹ 2,932.5	25.00%	17.62%	14.98%	1.21	1.07
Arvind Ltd	₹ 7,937.1	₹ 1,562.2	25.00%	19.68%	16.45%	1.23	1.07
Vedant Fashions	₹ 17,724.4	₹ 482.9	25.00%	2.72%	2.65%	0.45	0.44
Vardhman Textile	₹ 11,473.6	₹ 1,238.7	25.00%	10.80%	9.74%	0.84	0.78
Welspun Living	₹ 11,141.8	₹ 2,762.0	25.00%	24.79%	19.87%	1.46	1.23
Median - Broad Set			14.90%	12.96%	1.21	1.07	
Average - Broad Set			12.80%	10.96%	1.09	0.98	
Median - Core Innerwear Set			14.90%	12.96%	1.36	1.28	
Average - Core Innerwear Set			12.73%	11.22%	1.25	1.15	

Broad Set / Core
Core
Core
Core
Broad

### Blume Beta Analysis - 2 Year Weekly

Comparable Companies	Market Capitalization	Debt	Marginal Tax Rate	Debt to Equity	Debt to Capital	Blume Effect Equity Beta	Asset Beta
Lux Industries	₹ 3,939.4	₹ 316.7	25.00%	8.04%	7.44%	1.24	1.17
Dollar Industries	₹ 2,035.5	₹ 310.8	25.00%	15.27%	13.25%	0.89	0.80
Rupa & Company	₹ 1,597.3	₹ 237.9	25.00%	14.90%	12.96%	1.37	1.24
K P R Mill Ltd	₹ 34,413.8	₹ 466.0	25.00%	1.35%	1.34%	0.88	0.87
Aditya Birla Lifestyle	₹ 16,638.8	₹ 2,932.5	25.00%	17.62%	14.98%	1.14	1.01
Arvind Ltd	₹ 7,937.1	₹ 1,562.2	25.00%	19.68%	16.45%	1.15	1.00
Vedant Fashions	₹ 17,724.4	₹ 482.9	25.00%	2.72%	2.65%	0.64	0.62
Vardhman Textile	₹ 11,473.6	₹ 1,238.7	25.00%	10.80%	9.74%	0.89	0.83
Welspun Living	₹ 11,141.8	₹ 2,762.0	25.00%	24.79%	19.87%	1.31	1.10
Median - Broad Set			14.90%	12.96%	1.14	1.00	
Average - Broad Set			12.80%	10.96%	1.06	0.96	
Median - Core Innerwear Set			14.90%	12.96%	1.24	1.17	
Average - Core Innerwear Set			12.73%	11.22%	1.17	1.07	

Beta Drifting	
Equity Beta Weight	66.67%
Raw Asset Beta	1.17
Market Beta	1.00
Market Beta Weight	33.33%

## Annexure - WACC Inputs

### Pre-Tax Cost of Debt

#### Cost of Debt Estimation

10 Year Government Bond Yield	6.52%
Type of company	Large
Rating	Aaa/AAA
Interest Coverage Ratio	20.96
Estimated corporate spread	0.45%
<b>Estimated Pre-Tax Cost of Debt</b>	<b>6.97%</b>

### Market Value of Debt

#### Market Value of Debt

Book Value of Debt	₹ 262
Pre-Tax Cost of Debt	6.97%
Interest Payments	₹ 46
Average Duration	5.00
$1/(1+r)^n$	0.71
$(1-a)/r$	4.10
Present Value of Payments	₹ 189
Present Value of Debt	₹ 1,074
<b>Market Value of Debt</b>	<b>₹ 1,263</b>



## Annexure - CCA Inputs

### Peers Benchmarking

Page Financials	2021A	2022A	2023A	2024A	2025A	2026E	2027E
Sales Growth yoy%	-4.0%	37.0%	21.0%	-3.0%	8.0%	7.0%	17.0%
Gross Margins%	55.0%	56.0%	56.0%	54.0%	57.0%	-	-
EBITDA Margins%	18.6%	20.2%	18.3%	18.8%	21.5%	22.1%	21.8%
Net Margins%	12.0%	13.8%	12.1%	12.5%	14.8%	15.2%	14.9%

Company	Broad/Core
Lux Industries	Core
Rupa & Company Ltd.	Core
Dollar Industries Ltd.	Core
Arvind Fashions	Broad
Aditya Birla Fashion & Retail	Broad

### Benchmarking

Average - Broad Set	2021A	2022A	2023A	2024A	2025A	2026E	2027E
Sales Growth	-5.6%	34.7%	14.3%	-5.3%	8.8%	10.2%	11.4%
Gross Margins	52.0%	54.2%	49.0%	52.0%	54.6%	-	-
EBITDA Margins	12.6%	14.9%	9.2%	9.1%	10.5%	10.8%	11.8%
Net Margins	-1.9%	5.9%	3.2%	1.7%	2.6%	3.2%	4.4%

Average - Core Set	2021A	2022A	2023A	2024A	2025A	2026E	2027E
Sales Growth	19.7%	19.5%	-4.8%	5.5%	7.4%	8.0%	9.7%
Gross Margins	55.7%	57.7%	47.0%	52.0%	54.3%	-	-
EBITDA Margins	17.6%	18.4%	7.9%	9.2%	10.1%	10.2%	11.3%
Net Margins	11.8%	13.0%	4.8%	5.6%	6.2%	6.5%	7.5%

Median - Broad Set	2021A	2022A	2023A	2024A	2025A	2026E	2027E
Sales Growth	7.0%	29.0%	4.0%	5.0%	9.0%	12.0%	12.0%
Gross Margins	53.0%	54.0%	48.0%	52.0%	54.0%	-	-
EBITDA Margins	13.3%	16.4%	9.0%	9.6%	10.5%	10.8%	11.6%
Net Margins	8.2%	11.0%	3.8%	5.4%	5.4%	5.7%	6.5%

Median - Core Set	2021A	2022A	2023A	2024A	2025A	2026E	2027E
Sales Growth	17.1%	17.6%	3.7%	6.0%	9.0%	9.0%	11.0%
Gross Margins	57.0%	57.0%	47.0%	53.0%	54.0%	-	-
EBITDA Margins	19.4%	17.8%	7.8%	9.6%	10.5%	10.8%	11.6%
Net Margins	13.4%	13.1%	4.7%	5.7%	6.4%	6.1%	7.3%

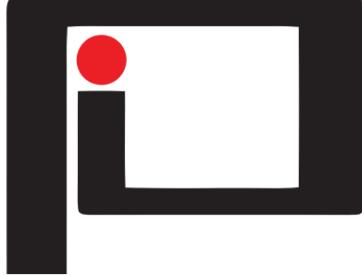
### Peers Comparison

Sales Growth yoy %	2021A	2022A	2023A	2024A	2025A	2026E	2027E
Lux Industries	17.1%	17.6%	3.7%	-2.4%	11.1%	12.0%	12.0%
Rupa & Company Ltd.	35.0%	12.0%	-22.0%	6.0%	2.0%	3.0%	6.0%
Dollar Industries Ltd.	7.0%	29.0%	4.0%	13.0%	9.0%	9.0%	11.0%
Arvind Fashions	-47.0%	60.0%	33.0%	5.0%	8.0%	13.0%	13.0%
Aditya Birla Fashion & Retail	-40.0%	55.0%	53.0%	-48.0%	14.0%	14.0%	15.0%

EBITDA Margins %	2021A	2022A	2023A	2024A	2025A	2026E	2027E
Lux Industries	20.0%	21.0%	9.0%	8.0%	9.0%	10.80%	11.60%
Rupa & Company Ltd.	19.4%	17.8%	7.8%	9.6%	10.5%	8.5%	9.9%
Dollar Industries Ltd.	13.3%	16.4%	7.0%	10.1%	10.7%	11.4%	12.3%
Arvind Fashions	-0.1%	5.9%	10.4%	12.0%	13.0%	13.6%	14.3%
Aditya Birla Fashion & Retail	10.6%	13.5%	12.0%	5.7%	9.2%	9.7%	10.9%

Gross Margins %	2021A	2022A	2023A	2024A	2025A	2026E	2027E
Lux Industries	57.0%	62.0%	48.0%	53.0%	56.0%	-	-
Rupa & Company Ltd.	53.0%	57.0%	47.0%	49.0%	53.0%	-	-
Dollar Industries Ltd.	57.0%	54.0%	46.0%	54.0%	54.0%	-	-
Arvind Fashions	42.0%	44.0%	49.0%	52.0%	53.0%	-	-
Aditya Birla Fashion & Retail	51.0%	54.0%	55.0%	52.0%	57.0%	-	-

Net Margins %	2021A	2022A	2023A	2024A	2025A	2026E	2027E
Lux Industries	13.9%	14.8%	5.8%	5.4%	6.4%	7.7%	8.6%
Rupa & Company Ltd.	13.4%	13.1%	4.7%	5.7%	6.7%	5.7%	6.5%
Dollar Industries Ltd.	8.2%	11.0%	3.8%	5.8%	5.4%	6.1%	7.3%
Arvind Fashions	-31.2%	-7.7%	2.1%	3.2%	0.7%	2.9%	3.7%
Aditya Birla Fashion & Retail	-14.0%	-1.5%	-0.5%	-11.4%	-6.2%	-6.2%	-4.1%



November 2025

**The financial calculations in this valuation report may not result  
to be precise due to rounding.**

This information is for educational purposes only and is not intended as investment advice or a professional recommendation.