5 November 2025

2QFY26 Result Update | Sector: Logistics

Delhivery

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	DELHIVER IN
Equity Shares (m)	747
M.Cap.(INRb)/(USDb)	362.5 / 4.1
52-Week Range (INR)	490 / 237
1, 6, 12 Rel. Per (%)	8/53/30
12M Avg Val (INR M)	1260

Financial Snapshot (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	102.9	118.0	134.7
EBITDA	5.8	8.1	10.0
Adj. PAT	2.6	4.7	6.2
EBITDA Margin (%)	5.7	6.9	7.4
Adj. EPS (INR)	3.4	6.3	8.3
EPS Gr. (%)	52.3	83.0	32.1
BV/Sh. (INR)	129.9	136.2	144.5
Ratios			
Net D:E	-0.4	-0.5	-0.5
RoE (%)	2.7	4.7	5.9
RoCE (%)	3.8	5.5	6.6
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	141.8	77.5	58.6
P/BV (x)	3.7	3.6	3.4
EV/EBITDA(x)	61.5	43.2	34.3
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	-4.0	3.6	4.6

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	85.6	85.6	85.6
DII	2.7	2.5	4.1
FII	5.4	5.6	5.1
Others	6.3	6.3	5.2

FII Includes depository receipts

CMP: INR485 TP: INR570 (+17%) Buy

One-time integration costs hit 2Q performance; outlook remains bright

Strong performance in Express & PTL segments, while the supply chain margin improves

- Delhivery posted a 17% YoY rise in revenue to INR25.6b in 2QFY26 (in line).
- During the quarter, the company recognized INR900m of costs related to e-com express integration. The acquisition was formally completed in Jul'25.
- EBITDA (excluding Ecom Express integration costs) stood at INR1.5b against our estimate of INR1.6b. EBITDA margin (excluding Ecom Express integration costs) stood at 5.9% against our estimate of 6.5%.
- PAT (excluding Ecom Express integration costs) stood at INR590m against our estimate of INR820. PAT was impacted due to lower other income.
- Delhivery's core transportation segment, comprising Express Parcel and Part Truckload (PTL), saw healthy volume growth (Express Parcel: +34% YoY and PTL: +12% YoY), supported by improved services and network utilization. Service EBITDA margins for Express Parcel/PTL stood at 15.3%/8.5%, underscoring Delhivery's operational efficiency and scale advantages.
- Performance in the Supply Chain Services (SCS) and Cross-Border businesses was mixed. SCS reported an improvement in the service EBITDA margin to 12.8%, driven by strategic contract renegotiations with clients and technology-led operational efficiencies, while the Cross-Border business remained muted.
- Adjusted for one-time integration costs, Delhivery delivered a strong 2QFY26 performance supported by strong festive season demand and integration of Ecom Express, which led to robust volume growth in Express Parcel (+34% YoY) and PTL (+12% YoY) with decent service EBITDA margins. New services such as Delhivery Direct and Rapid are scaling up well.
- **We cut our FY26E EBITDA by ~13% to factor in the one-time integration expenses, which were incurred in 2Q and will be incurred in 2HFY26 as well. We broadly retain our FY27/FY28 estimates. We expect Delhivery to deliver a CAGR of 15%/38%/54% in revenue/EBITDA/APAT over FY25–28. We reiterate our BUY rating with a revised DCF-based TP of INR570.**

Core transportation businesses drive profit-accretive growth

- The Express Parcel and PTL segments remain the key drivers of Delhivery's core growth and profitability. Express Parcel revenue grew 24% YoY to INR 16.1b, with shipment volumes rising 34% YoY to 246m parcels. The segment reported a healthy service EBITDA margin of 15.3%, down 100bp QoQ. However, margins are expected to revert to the guided range of 16–18% by the end of FY26.
- PTL revenue grew ~15% YoY to INR5.4b, with tonnage increasing 12% YoY to 0.477MT. The Service EBITDA margin was 8.5%, which was down 220bp QoQ and up 560bp YoY, supported by improved yields and a favorable client mix.

Alok Deora - Research analyst (Alok.Deora@MotilalOswal.com)
Shivam Agarwal- Research analyst (Shivam.Agarwal@MotilalOswal.com)

- The combined transportation business (Express + PTL) delivered a robust service EBITDA margin of 13.5% in the quarter, with pricing discipline, route optimization, and consistent investments in a high-capacity fleet and integrated gateways.

Strengthened strategic position through asset optimization and acquisition

- Delhivery has demonstrated capital discipline and strategic clarity in recent quarters. The company has completed major capex investments during FY22-25, i.e., expanding its trucking fleet from 299 to 1,741 vehicles and building mega-gateways in Tauru, Bhiwandi, and Hoskote. As a result, capital intensity has declined from 6.8% of revenue in FY22 to 5.1% as of 1HFY26, with expectations of further moderation to ~4% of revenue by FY28.
- Delhivery has completed the acquisition of Ecom Express, bolstering its network footprint and consolidating the marketplace with fewer players, thus providing a competitive advantage. Moreover, access to Ecom Express's advanced automation equipment and high-quality infrastructure adds further synergies.

Highlights from the management commentary

- The company incurred a one-time integration cost of INR 900m in 2QFY26, which dragged reported profitability, resulting in a loss for the quarter. However, after adjusting for this one-time expense, the profit stood at INR 590m vs INR 102m YoY.
- Express Parcel and PTL segments continue to deliver healthy service EBITDA margins, and the company is targeting 16-18% steady-state margins across both businesses in the next two years.
- Delhivery is selectively exiting unprofitable contracts while targeting INR18-20b in supply chain revenue. It achieved a service EBITDA margin of 12% this quarter, and management expects to maintain this and achieve an RoCE of 20% in three years. This will be driven by a growing enterprise pipeline and white-labeled "Prime" offerings.
- Delhivery is building long-term optionality through targeted investments in new service lines like **Delhivery Direct** (on-demand intra-city and inter-city logistics) and **Rapid** (dark store-led same-day fulfillment). Delhivery Direct is launched in three major cities—Ahmedabad, Delhi NCR, and Bengaluru. It also signed its first B2B client in this segment in Oct'25 and plans to take the store count to 25 by FY26. The investment in the above two businesses was INR150m in 2QFY26.

Valuation and view

- Delhivery is well-positioned for future growth, supported by strong momentum in its core transportation businesses and a clear focus on profitability. With Express Parcel and PTL segments delivering consistent volume growth and healthy service EBITDA margins, the company expects to sustain 16-18% margins over the next two years.
- The integration of Ecom Express is set to enhance network efficiency and reduce capital intensity, while new services like Delhivery Direct and Rapid offer long-term growth potential in on-demand and time-sensitive logistics.
- **We expect Delhivery to deliver a CAGR of 15%/38%/54% in revenue/EBITDA/APAT over FY25–28. We reiterate our BUY rating with a revised DCF-based TP of INR570.**

Quarterly performance INR m

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	vs Est
Net Sales	**21,723**	**21,897**	**23,783**	**21,916**	**22,940**	**25,593**	**26,455**	**27,874**	**89,319**	**1,02,862**	**25,025**	**2**
YoY Change (%)	12.6	12.8	8.4	5.6	5.6	16.9	11.2	27.2	9.7	15.2	14.3	
EBITDA	**971**	**573**	**1,024**	**1,191**	**1,488**	**682**	**1,746**	**1,916**	**3,758**	**5,832**	**1,627**	**(58)**
Margins (%)	4.5	2.6	4.3	5.4	6.5	2.7	6.6	6.9	4.2	5.7	6.5	
YoY Change (%)	LP	LP	-6.3	159.5	53.3	19.0	70.5	60.9	196.9	55.2	184.0	
Depreciation	1,194	1,313	1,417	1,425	1,475	1,781	1,473	1,167	5,349	5,896	1,470	
Interest	282	305	333	337	340	389	315	257	1,258	1,301	330	
Other Income	1,099	1,196	987	1,119	1,299	922	1,100	1,308	4,401	4,629	1,270	
PBT before EO expense	**593**	**151**	**260**	**548**	**973**	**-566**	**1,058**	**1,800**	**1,552**	**3,264**	**1,097**	
Extra-Ord expense	51	0	0	0	0	0	0	0	-51	0	0	
PBT	**542**	**151**	**260**	**548**	**973**	**-566**	**1,058**	**1,800**	**1,501**	**3,264**	**1,097**	
Tax	-14	-16	-12	-8	-14	-27	243	436	-50	638	276	
Rate (%)	-2.6	-10.5	-4.5	-1.5	-1.4	4.8	23.0	24.2	-3.3	19.6	25.2	
Reported PAT	**543**	**102**	**250**	**726**	**911**	**-504**	**815**	**1,364**	**1,621**	**2,550**	**820**	
Adj PAT	**595**	**102**	**250**	**726**	**911**	**-504**	**815**	**1,364**	**1,672**	**2,550**	**820**	**NA**
YoY Change (%)	LP	LP	5.8	LP	53.1	-593.9	226.0	88.0	LP	52.5	704.2	
Margins (%)	2.7	0.5	1.1	3.3	4.0	-2.0	3.1	4.9	1.9	2.5	3.3	

Y/E March	FY24				FY25				FY26	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Express Parcel (mn)	182	181	201	176	183	185	206	177	208	246
Change YoY	20%	12%	18.2%	-2.2%	1%	2%	2.5%	0.6%	14%	33%
Realization (INR/shipment)	66.0	66.9	72.0	69.1	69.7	70.2	72.2	71.0	67	65
Change YoY	0%	0%	0%	0%	6%	5%	0%	3%	-3%	-1%
PTL (000'ton)	343	348	354	384	399	427	412	458	458	477
Change YoY	43.5%	21.7%	37.2%	20.8%	16.3%	22.7%	16.4%	19.3%	15%	12%
Realization (INR/000't)	10,117	10,718	10,706	10,859	10,902	11,101	11,214	11,288	11,092	11,447
Change YoY	0.0%	0.0%	0.0%	0.0%	7.8%	3.6%	4.7%	3.9%	4%	3%

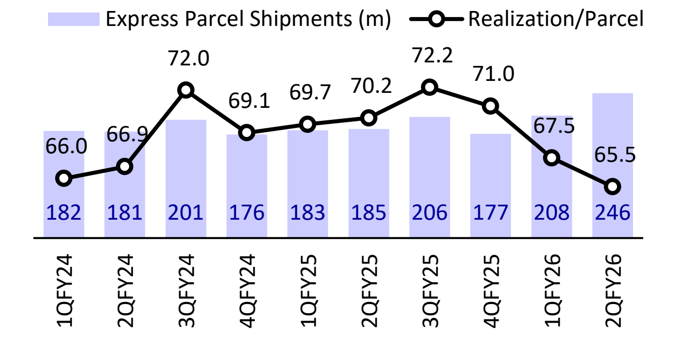
Exhibit 1: Breakup of EBITDA

Particulars	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	4Q FY25	1Q FY26	2Q FY26
Revenues from Express Parcel (INR m)	12,100	14,480	12,170	12,760	12,980	14,880	12,560	14,030	16,110
Change YoY (%)	7.6	20.7	3.4	6.2	7.3	2.8	3.2	10.0	24.1
Change QoQ (%)	0.7	19.7	(16.0)	4.8	1.7	14.6	(15.6)	11.7	14.8
Service EBITDA (INR m)	2,030	2,990	2,140	2,320	1,960	2,320	2,000	2,280	2460
Service EBITDA Margins (%)	16.8	20.6	17.6	18.2	15.1	15.6	15.9	16.3	15.3
Revenues from PTL (INR m)	3,730	3,790	4,170	4,350	4,740	4,620	5,170	5,080	5460
Change YoY (%)	27.3	36.8	27.1	25.4	27.1	21.9	24.0	16.8	15.2
Change QoQ (%)	7.5	1.6	10.0	4.3	9.0	(2.5)	11.9	(1.7)	7.5
Service EBITDA (INR m)	(180)	(70)	90	140	140	180	560	540	460
Service EBITDA Margins (%)	(4.8)	(1.8)	2.2	3.2	3.0	3.9	10.8	10.7	8.4
Other Segments Service EBITDA (INR m)	160	140	150	120	(70)	60	90	20	420
Total Revenues (INR m)	19,417	21,945	20,755	21,723	21,897	23,783	21,916	22,940	25593
Total Service EBITDA (INR m)	2,010	3,060	2,380	2,580	2,030	2,560	2,650	2,840	3340
Total Service EBITDA Margin (%)	10.4	13.9	11.5	11.9	9.3	10.8	12.1	12.4	13.1
Less - Corporate Overheads (INR m)	2,140	2,140	2,170	2,210	1,930	2,110	2,100	2,090	2350
% of Revenues	11.0	9.8	10.5	10.2	8.8	8.9	9.6	9.1	9.2
Adjusted EBITDA (INR m)	(130)	920	210	370	100	450	550	750	830
Add: Lease (INR m)	650	710	750	810	810	890	930	950	1030
Less: ESOP (INR m)	680	540	490	210	330	310	290	220	280
Less: Integration cost (INR m)	-	-	-	-	-	-	-	-	900
Reported EBITDA (INR m)	(160)	1,090	470	970	580	1,030	1,190	1,480	680
Reported EBITDA Margins (%)	(0.8)	5.0	2.3	4.5	2.6	4.3	5.4	6.5	2.7

Source: Company, MOFSL

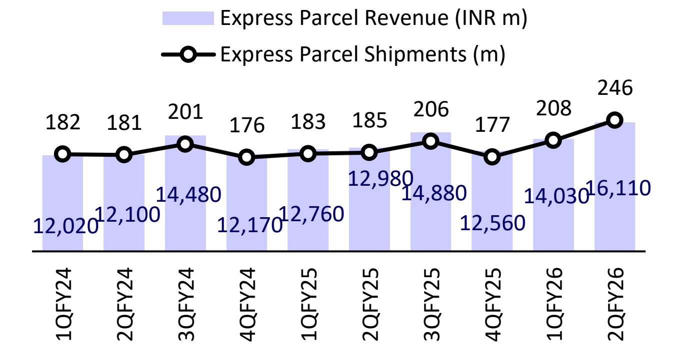
Story in charts – 2QFY26

Exhibit 2: Express Parcel shipments grew 34% YoY



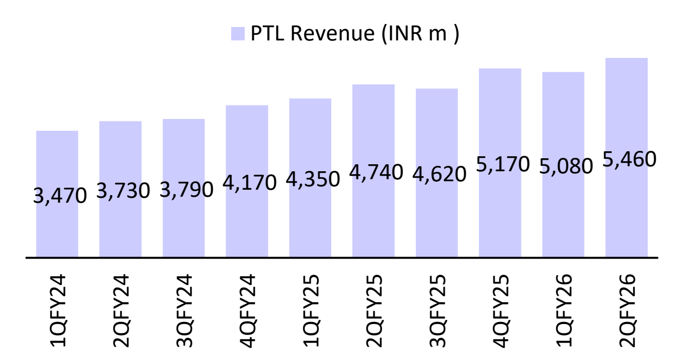
Source: Company, MOFSL

Exhibit 3: Express Parcel revenue grew 24% YoY



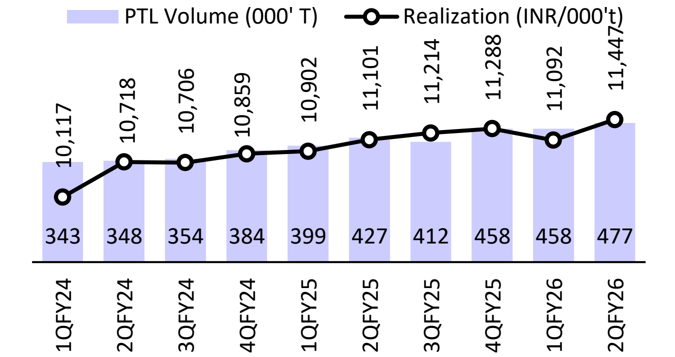
Source: Company, MOFSL

Exhibit 4: PTL revenue grew 15% YoY



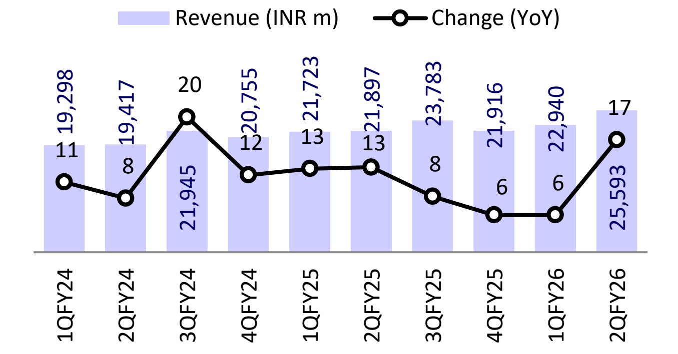
Source: Company, MOFSL

Exhibit 5: PTL tonnage volume grew 12% YoY



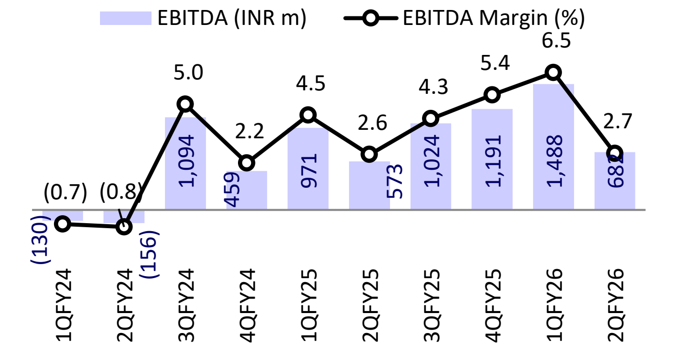
Source: Company, MOFSL

Exhibit 6: Revenue increased 17% YoY



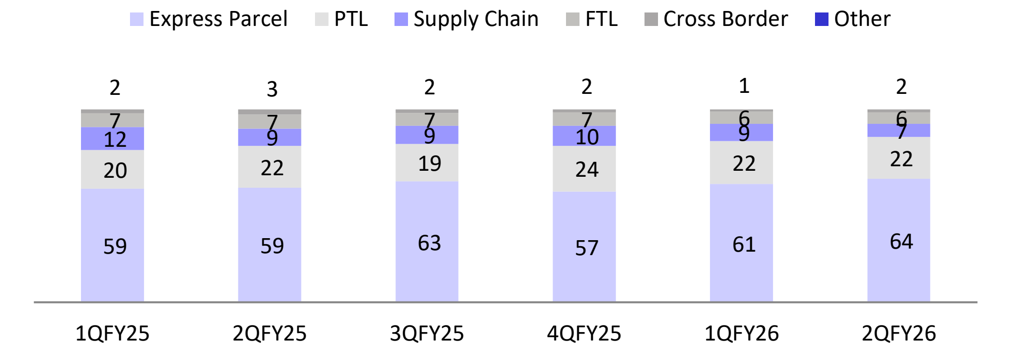
Source: Company, MOFSL

Exhibit 7: EBITDA and EBITDA margin trends



Source: Company, MOFSL

Exhibit 8: Revenue share (%) – segment mix



Source: Company, MOFSL

CONFERENCE CALL

Highlights from the management commentary

Operational highlights

- In 2Q volumes saw a boost from the festive season and integration of Ecom Express into the network. It expects to have some spillover effect in October from GST rate cuts.
- The company closed the quarter with 48,422 active customers, supported by the integration of Ecom Express, new initiatives such as Delhivery Direct (on-demand intra-city logistics) and Delhivery Protect (insurance cover for transit loss/damage).
- Delhivery continued to drive profitability improvements and shut down select unprofitable accounts to protect margins.
- In 2QFY26, the company accounted for INR900m as integration costs of Ecom Express and expects the integration cost to be ~INR3b on an overall basis for this acquisition. The cost in the next two quarters will be ~INR1.0b-1.1b.
- Capex stood at 5.1% of the revenue in the 1HFY26. Capex intensity has eased, with major investments in mega-gateways and high-capacity trucking already completed. Ecom acquisition brings in automation assets and infrastructure, further lowering future capex needs.
- **New services: Delhivery Direct** (on-demand intra-city logistics) launched in Ahmedabad, Delhi NCR, and Bengaluru; expected to launch in 4 more cities by FY26. **Rapid** operates 20 dark stores in three cities, targeting sub-three-hour fulfillment for D2C brands. The company also signed its first B2B client in this segment in Oct'25 and plans to take the store count to 25 by FY26. The investment in the above two businesses stood at INR150m in 2QFY26.
- The company expects rapid commerce to contribute ~1b in the medium term, while **Delhivery Direct** has reached an annual revenue run-rate of INR280m.

Express Parcel Business:

- Express Parcel revenue grew 24% YoY to INR16.1b, with shipments growing 32% YoY to 246m, post integration of Ecom Express. Service EBITDA margin remained healthy at 15.3%, indicating strong cost control and network efficiency.
- The company maintains its guidance of achieving service EBITDA margins of 16%-18% by the end of FY26, driven by increase in volumes, productivity gains and network optimization. It was lower this quarter on account of late-stage demand pick up due to the postponement of consumption before GST rate cut. This increased the cost of temporary build-up capacity leading to a decline in service EBITDA margins.
- Express parcel yield was impacted due to a change in the product mix post Ecom Express post-integration, which led to a decline in the average weight per shipment and, consequently, affected margins.
- Ecom Express volumes have been largely integrated into Delhivery's network seamlessly.

PTL Business:

- PTL revenue grew ~15% YoY to INR5.4b, with tonnage increasing 12% YoY to 0.477MT. Service EBITDA margin stood at 8.5% was down 220bps QoQ and up 560bps YoY, supported by improved yields and a favorable client mix.
- PTL profitability has improved over 13 consecutive quarters, with steady-state EBITDA margins of 16-18% targeted over the next two years.

SCS:

- SCS revenue declined ~14% YoY to INR1.7b, partly due to the exit from unprofitable contracts. However, service EBITDA margin improved to 12.8% up 560bps QoQ, due to cost control and re-negotiated deals.
- The company targeted a 12% plus service EBITDA margin, which has been achieved this quarter, and it expects to maintain this and achieve 20% plus RoCE in the medium term.
- Key focus areas include tech stack enhancement (WMS, OMS, TMS), deeper client pipeline, and expansion of white-labelled "Prime" service for D2C and SME e-commerce.
- Revenue guidance maintained for the segment stands at INR18-20b over the next three years.

Truckload (TL) Freight and Cross-border Services:

- TL revenue declined 5% YoY to INR1.5b.
- Orion and Axle platforms, alongside TransportOne, are expected to contribute to long-term scalability.
- Cross-border revenue declined 35% YoY to INR380m.
- The business remains nascent, but Delhivery plans to expand product offerings via global partnerships and the launch of economy services in 3Q.
- While Express Parcel remains in focus, freight will stay a small contributor in FY26.

Guidance

- Revenue growth expected to be driven by Express Parcel and PTL, with SCS and new services contributing in later quarters.
- The integration cost of Ecom Express stood at INR900m this quarter and is expected to be ~INR3b on an overall basis.
- Peak period profitability is anticipated in 3Q and 4QFY26, setting the stage for a stronger second half.

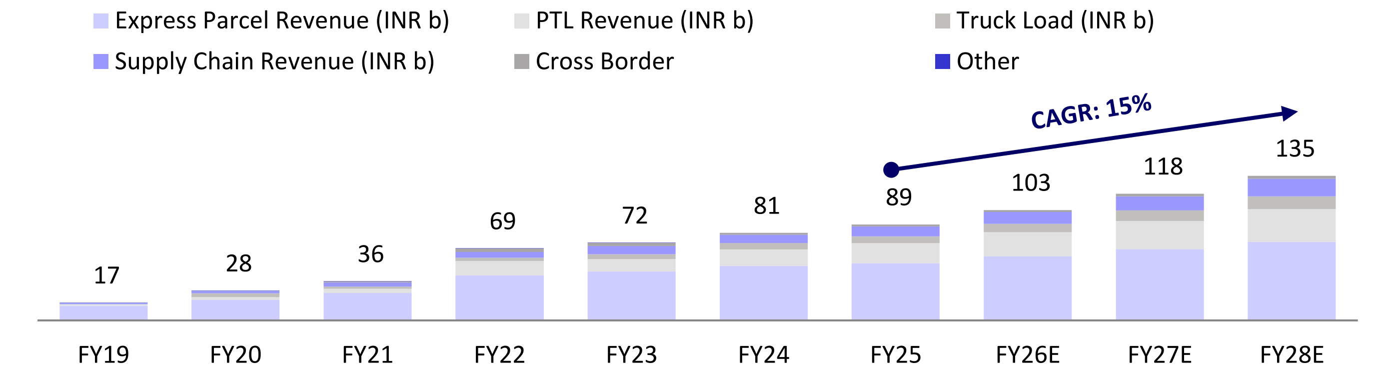
Exhibit 9: Our revised estimates

(INR m)	FY26E			FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,02,862	1,02,131	0.72	1,17,985	1,16,870	0.95	1,34,652	1,33,459	0.89
EBITDA	5,832	6,670	(12.6)	8,129	7,970	2.0	9,983	9,802	1.8
EBITDA Margin (%)	**5.7**	**6.5**	**(0.9)**	**6.9**	**6.8**	**0.1**	**7.4**	**7.3**	**0.1**
APAT	2,550	3,610	(29.4)	4,668	4,513	3.4	6,167	5,997	2.8
EPS (INR)	3.4	4.8	(29.4)	6.3	6.1	3.4	8.3	8.0	2.8

Source: Company, MOFSL

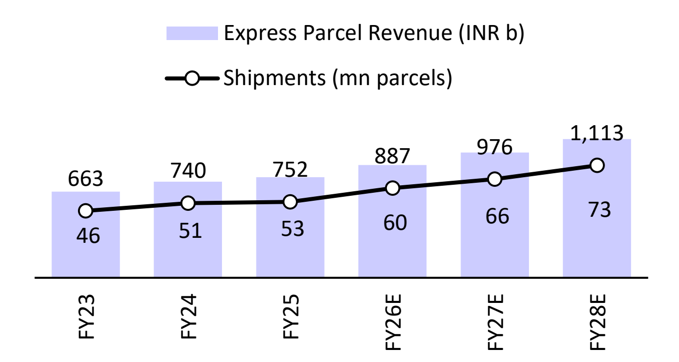
Story in charts

Exhibit 10: Revenue CAGR of 15% expected over FY25-28



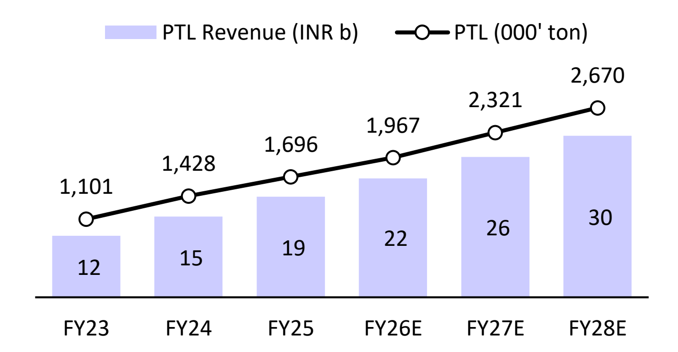
Source: Company, MOFSL

Exhibit 11: Volume growth to drive revenue



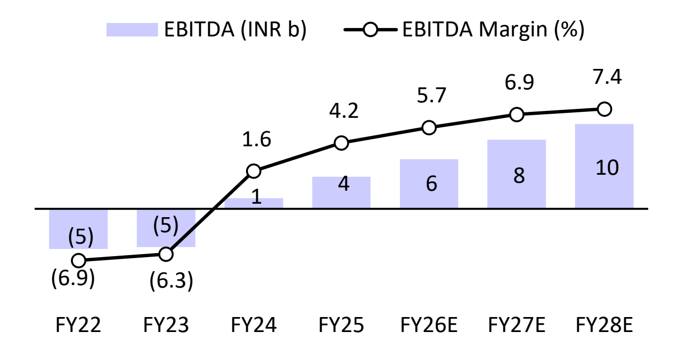
Source: Company, MOFSL

Exhibit 12: PTL revenue to grow with higher volumes



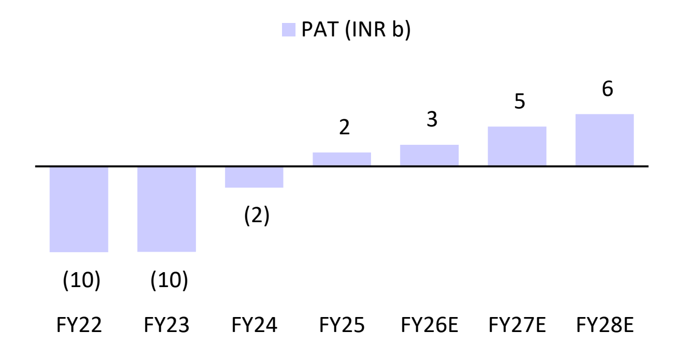
Source: Company, MOFSL

Exhibit 13: Strong volume growth to drive EBITDA



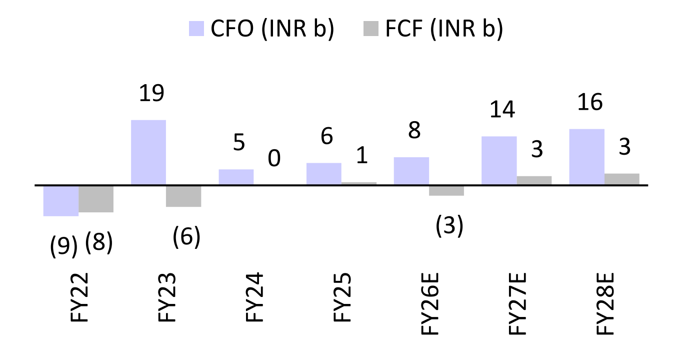
Source: Company, MOFSL

Exhibit 14: Strong operating performance to drive PAT



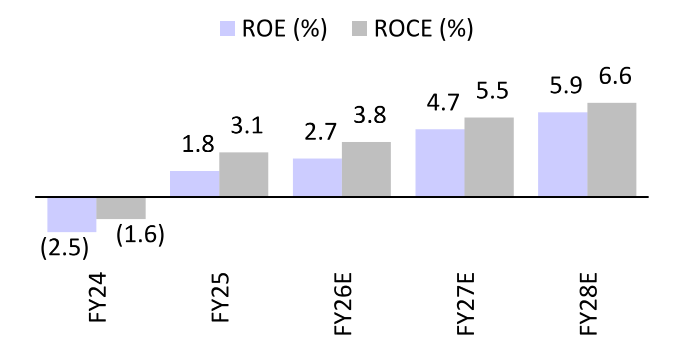
Source: Company, MOFSL

Exhibit 15: CFO and FCF generation to pick up



Source: Company, MOFSL

Exhibit 16: Return ratios to improve gradually



Source: Company, MOFSL

Financials and valuation

Consolidated Income Statement

Y/E March (INR m)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	**68,823**	**72,253**	**81,415**	**89,319**	**1,02,862**	**1,17,985**	**1,34,652**
Change (%)	88.7	5.0	12.7	9.7	15.2	14.7	14.1
Gross Margin (%)	25.1	21.5	26.7	26.8	30.0	30.0	30.0
EBITDA	**-4,720**	**-4,516**	**1,266**	**3,758**	**5,832**	**8,129**	**9,983**
Margin (%)	-6.9	-6.3	1.6	4.2	5.7	6.9	7.4
Depreciation	6,107	8,311	7,216	5,349	5,896	6,425	7,036
EBIT	**-10,828**	**-12,828**	**-5,949**	**-1,591**	**-64**	**1,703**	**2,947**
Int. and Finance Charges	995	888	885	1,258	1,301	1,126	951
Other Income	1,561	3,049	4,527	4,401	4,629	5,663	6,248
PBT	**-10,261**	**-10,666**	**-2,308**	**1,552**	**3,264**	**6,241**	**8,244**
Exp Items	0	0	-224	-51	0	0	0
PBT after Exp Item	**-10,261**	**-10,666**	**-2,532**	**1,501**	**3,264**	**6,241**	**8,244**
Tax	-183	-453	47	-50	638	1,573	2,078
Effective Tax Rate (%)	1.8	4.2	-1.9	-3.3	19.6	25.2	25.2
Reported PAT	**-10,110**	**-10,078**	**-2,492**	**1,621**	**2,550**	**4,668**	**6,167**
Adjusted PAT	**-10,110**	**-10,078**	**-2,264**	**1,674**	**2,550**	**4,668**	**6,167**
Margin (%)	-14.7	-13.9	-2.8	1.9	2.5	4.0	4.6

Source: MOFSL, Company

Consolidated Balance Sheet

Y/E March (INR m)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	642	729	737	746	746	746	746
Total Reserves	58,932	91,043	90,710	93,576	96,126	1,00,794	1,06,961
Net Worth	**59,574**	**91,771**	**91,446**	**94,321**	**96,872**	**1,01,540**	**1,07,706**
Deferred Tax Liabilities	3,531	1,989	1,256	397	347	297	247
Total Loans	-922	-2,073	-2,456	-2,806	-2,806	-2,806	-2,806
Capital Employed	**62,183**	**91,687**	**90,247**	**91,912**	**94,412**	**99,031**	**1,05,147**
Gross Block	27,543	33,747	45,547	56,533	61,377	67,129	73,582
Less: Accum. Deprn.	10,817	19,129	26,344	31,693	37,589	44,014	51,049
Net Fixed Assets	**16,726**	**14,618**	**19,203**	**24,840**	**23,788**	**23,115**	**22,533**
Goodwill	13,799	15,347	14,334	14,030	14,030	14,030	14,030
Capital WIP	599	215	286	329	2,029	2,176	2,455
Total Investments	**20,907**	**20,942**	**27,762**	**35,782**	**35,782**	**35,782**	**35,782**
Curr. Assets, Loans, and Adv.	**28,926**	**58,384**	**50,356**	**42,767**	**48,970**	**58,552**	**69,863**
Inventory	253	194	164	165	198	227	259
Account Receivables	9,903	15,238	14,297	14,121	16,262	18,653	21,288
Cash and Bank Balances	2,290	6,455	4,032	3,360	3,579	10,741	19,385
Cash	2,290	2,955	3,032	3,360	3,579	10,741	19,385
Bank Balance	0	3,500	1,000	0	0	0	0
Loans and Advances	16,481	36,498	31,863	25,122	28,931	28,931	28,931
Current Liability and Provision	**18,774**	**17,820**	**21,694**	**25,837**	**30,187**	**34,625**	**39,516**
Account Payables	8,345	7,874	7,974	8,552	10,282	11,793	13,459
Other Current Liabilities	9,839	9,161	12,685	16,154	18,604	21,339	24,353
Provisions	590	786	1,035	1,130	1,301	1,493	1,703
Net Current Assets	**10,152**	**40,564**	**28,662**	**16,931**	**18,783**	**23,928**	**30,347**
Application of Funds	**62,183**	**91,687**	**90,247**	**91,912**	**94,413**	**99,031**	**1,05,148**

Source: MOFSL, Company

Financials and valuation

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)							
EPS	**-15.7**	**-13.8**	**-3.1**	**2.2**	**3.4**	**6.3**	**8.3**
Cash EPS	-6.2	-2.4	6.7	9.4	11.3	14.9	17.7
BV/Share	92.8	125.9	124.1	126.5	129.9	136.2	144.5
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (Incl. Div. Tax, %)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)							
P/E	NA	NA	NA	216.0	141.8	77.5	58.6
P/BV	5.2	3.9	3.9	3.8	3.7	3.6	3.4
EV/Sales	4.5	4.8	4.4	4.0	3.5	3.0	2.5
EV/EBITDA	NA	NA	280.1	95.4	61.5	43.2	34.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return Ratios (%)							
RoE	-23.0	-13.3	-2.5	1.8	2.7	4.7	5.9
RoCE	-19.3	-11.9	-1.6	3.1	3.8	5.5	6.6
RoIC	-39.9	-24.0	-9.9	-3.0	-0.1	2.5	4.5
Working Capital Ratios							
Fixed Asset Turnover (x)	3.2	2.4	2.1	1.7	1.7	1.8	1.9
Asset Turnover (x)	1.1	0.8	0.9	1.0	1.1	1.2	1.3
Inventory (Days)	1	1	1	1	1	1	1
Debtors (Days)	53	77	64	58	58	58	58
Creditors (Days)	44	40	36	35	36	36	36
Leverage Ratio (x)							
Current Ratio	1.5	3.3	2.3	1.7	1.6	1.7	1.8
Net Debt/Equity ratio	-0.3	-0.3	-0.3	-0.4	-0.4	-0.5	-0.5

Cash Flow Statement (INR m)

Y/E March (INR m)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	-10,293	10,531	-2,444	1,571	3,264	6,241	8,244
Depreciation	6,107	8,311	7,216	5,349	5,896	6,425	7,036
Interest & Finance Charges	275	210	132	68	1,301	1,126	951
Direct Taxes Paid	-132	-716	-373	-252	-638	-1,573	-2,078
(Inc.)/Dec. in WC	-4,954	640	151	-249	-1,633	2,018	2,224
CF from Operations	**-8,997**	**18,976**	**4,681**	**6,488**	**8,189**	**14,237**	**16,377**
Others	6,592	-19,273	43	-814	-4,629	-5,663	-6,248
CF from Operating incl EO	**-2,405**	**-297**	**4,724**	**5,674**	**3,560**	**8,574**	**10,130**
(Inc)/Dec in FA	-5,398	-5,940	-4,684	-4,757	-6,543	-5,899	-6,733
Free Cash Flow	**-7,803**	**-6,237**	**40**	**917**	**-2,983**	**2,675**	**3,397**
Change in Investments	-7,631	-28,870	2,043	1,677	0	0	0
Others	-14,393	702	1,650	2,044	4,629	5,663	6,248
CF from Investments	**-27,421**	**-34,107**	**-991**	**-1,036**	**-1,914**	**-236**	**-485**
Change in Equity	34,916	39,100	54	39	0	0	0
Inc./(Dec.) in Debt	-4,916	-3,108	-2,833	-3,104	-50	-50	-50
Others	-982	-879	-880	-1,258	-1,301	-1,126	-951
CF from Fin. Activity	**29,358**	**35,385**	**-3,659**	**-4,323**	**-1,427**	**-1,176**	**-1,001**
Inc./(Dec.) in Cash	**-469**	**980**	**75**	**315**	**219**	**7,162**	**8,644**
Opening Balance	2,759	1,974	2,958	3,045	3,360	3,579	10,741
Closing Balance	**2,290**	**2,955**	**3,032**	**3,360**	**3,579**	**10,741**	**19,385**

Source: MOFSL, Company

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:
- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.