BUY Pricol

Warburg buys DICVS from promoters; eyes electronics scale-up

Auto & Auto Ancillaries | Company Update | **November 15, 2026** | **CMP (Rs): 755 | TP (Rs): 900**

Pricol's promoters (the Mohan family) are exiting the Driver Information and Connected Vehicle Solutions (DICVS) business, with Warburg Pincus (a private equity company) set to acquire control of Pricol Autotech following its demerger from Pricol. Warburg will acquire the promoters' entire 38.5% stake through its affiliate Topaz Terrace Investments for up to ~Rs17bn (*Link*), implying an equity valuation of ~Rs43bn for DICVS (Rs354/share), which translates into ~18x FY28E PER and ~1.8x DICVS FY26 revenue of ~Rs24bn. Existing Pricol shareholders will receive Pricol Autotech shares in the 1:1 ratio, retaining direct exposure to the automotive-electronics business. Warburg will subsequently make an open offer for an additional 26% stake. We view the development positively, as the demerger creates two focused businesses with distinct growth and capital-allocation priorities, while placing the higher-growth electronics franchise with a global investor who can support its next phase of expansion. Warburg's entry is likely to bring global networks and strategic flexibility, accelerating DICVS's evolution into a broader automotive-electronics platform. Meanwhile, the Mohan family will retain control of the remaining Pricol business, comprising Actuation, Control, and Fluid Management Systems (ACFMS) and polymer operations. We build in 21%/24%/26% consolidated revenue/EBITDA/EPS CAGR over FY26-29E. We maintain BUY with unchanged TP of Rs900 at 24x Sep-28E PER.

Demerger to sharpen focus and unlock value

The demerger, first announced in Jun-26, reflects the increasingly divergent requirements of DICVS and Pricol's remaining business, with different customer needs, competitive dynamics, capital allocation, and risk profiles. DICVS has attained meaningful scale at ~60% of FY26 consolidated revenue and is increasingly technology-led, spanning instrument clusters, TFT displays, infotainment, telematics, e-cockpit solutions, BMS, and sensors. Pricol already has 2 technology centers with >470 product and process engineers backed by robust R&D spends (~3% of FY26/FY25 revenue). As an independent entity, DICVS is likely to have greater strategic and capital-allocation flexibility to respond to faster technology cycles. Meanwhile, the Mohan family retains control of the remaining Pricol business, comprising the ACFMS and polymer businesses. We believe the resultant simpler structures should sharpen Management focus on their respective growth and profitability.

Warburg entry likely to accelerate technology and global expansion

We believe Warburg Pincus's entry will provide DICVS with global network and strategic flexibility needed to accelerate its evolution into a broader automotive-electronics platform. Pricol has already expanded past conventional instrument clusters into TFT/digital displays, integrated cockpits, telematics, and connected-vehicle solutions, while strengthening presence in PV alongside its established 2W franchise. With Warburg as the controlling shareholder, Pricol Autotech is likely to potentially accelerate customer diversification, international expansion, technology partnerships, and selective inorganic opportunities across displays, telematics, sensors, vehicle controllers, and embedded electronics. This is particularly relevant as increasing vehicle premiumization and digitalization continue to expand electronic CPV. Overall, we see the transaction as creating two focused platforms, with DICVS positioned for faster technology-led growth and the retained Pricol maintaining its core manufacturing strengths.

Pricol: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	26,919	40,408	51,906	61,901	71,249
EBITDA	3,129	4,694	5,874	7,494	8,876
Adj. PAT	1,670	2,508	3,142	4,130	5,066
Adj. EPS (Rs)	13.7	20.6	25.8	33.9	41.6
EBITDA margin (%)	11.6	11.6	11.3	12.1	12.5
EBITDA growth (%)	14.6	50.0	25.1	27.6	18.4
Adj. EPS growth (%)	18.8	50.1	25.3	31.4	22.6
RoE (%)	17.9	22.1	22.5	24.1	23.6
RoIC (%)	17.1	20.8	21.1	22.7	23.6
P/E (x)	55.1	36.7	29.3	22.3	18.2
EV/EBITDA (x)	30.0	20.1	16.2	12.6	10.4
P/B (x)	9.1	7.3	6.0	4.9	3.8
FCFF yield (%)	0.3	(0.4)	0.3	1.5	3.4

Source: Company, Emkay Research

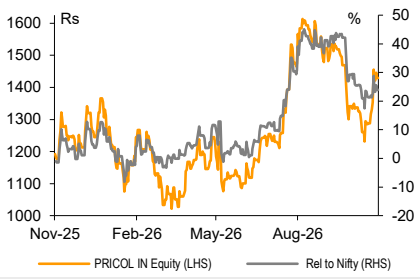
Target Price – 12M	Sep-27
Change in TP (%)	**-**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	19.2

Stock Data	PRICOL IN
52-week High (Rs)	823
52-week Low (Rs)	509
Shares outstanding (mn)	121.9
Market-cap (Rs bn)	92
Market-cap (USD mn)	976
Net-debt, FY27E (Rs mn)	2,921.9
ADTV-3M (mn shares)	0.7
ADTV-3M (Rs mn)	332.0
ADTV-3M (USD mn)	3.5
Free float (%)	61.5
Nifty-50	25,144.3
INR/USD	94.2

Shareholding,Sep-26	
Promoters (%)	38.5
FPIs/MFs (%)	14.1/11.7

Price Performance			
(%)	1M	3M	12M
Absolute	12.8	(1.3)	27.9
Rel. to Nifty	1.9	(4.2)	31.6

1-Year share price trend (Rs)



Chirag Jain
chirag.jain@emkayglobal.com
+91-22-66242428

Sanskar Sahuji
sanskar.sahuji@emkayglobal.com
+91 22 66121245

Dinesh Kamath
dinesh.kamath@emkayglobal.com
+91-22-66242484

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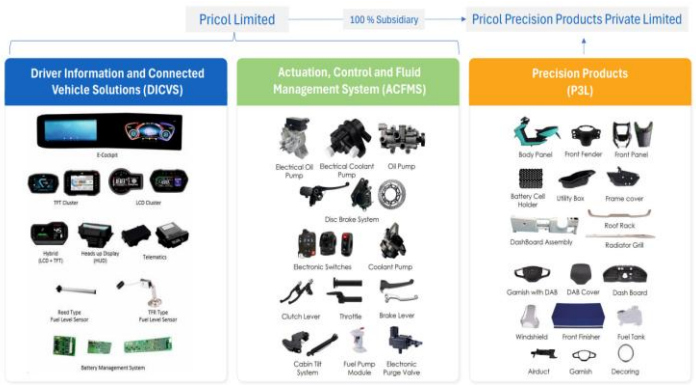
Refer to Important Disclosures at the end of this report

Exhibit 1: Implied valuation of the DICVS business at ~18x FY28E PER

Particulars	Rs mn	Rs	Comment
Transaction amount	**16,631**	**354/sh**	
Promoter stake (%)	38.51		
No of shares	46,934,833		
Implied value for the full DICVS business	**43,185**	**354/sh**	Potential valuation based on the transaction price
Implied EPS for FY28E for DICVS business			
FY28E EPS		33.9	
DICVS share		20.0	Basis FY28E revenue share of 59%
Implied PER for this transaction (x)		**18**	On FY28E

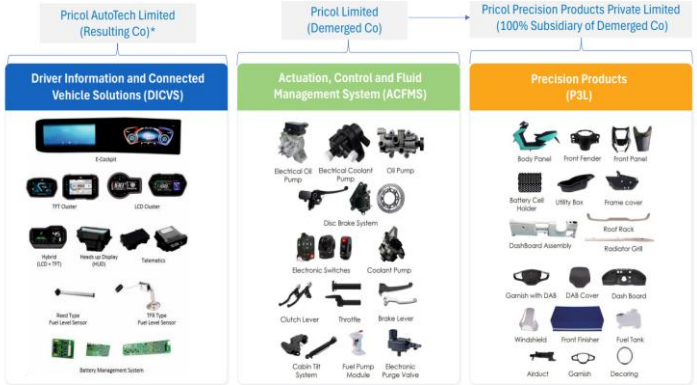
Source: Company, Emkay Research

Exhibit 2: Pricol's current business structure...



Source: Company, Emkay Research

Exhibit 3: ...and proposed business structure



Source: Company, Emkay Research

Exhibit 4: Strategic rationale for the demerger; unlocking the full potential of two strong businesses with distinct strategic priorities, technology needs, and growth drivers

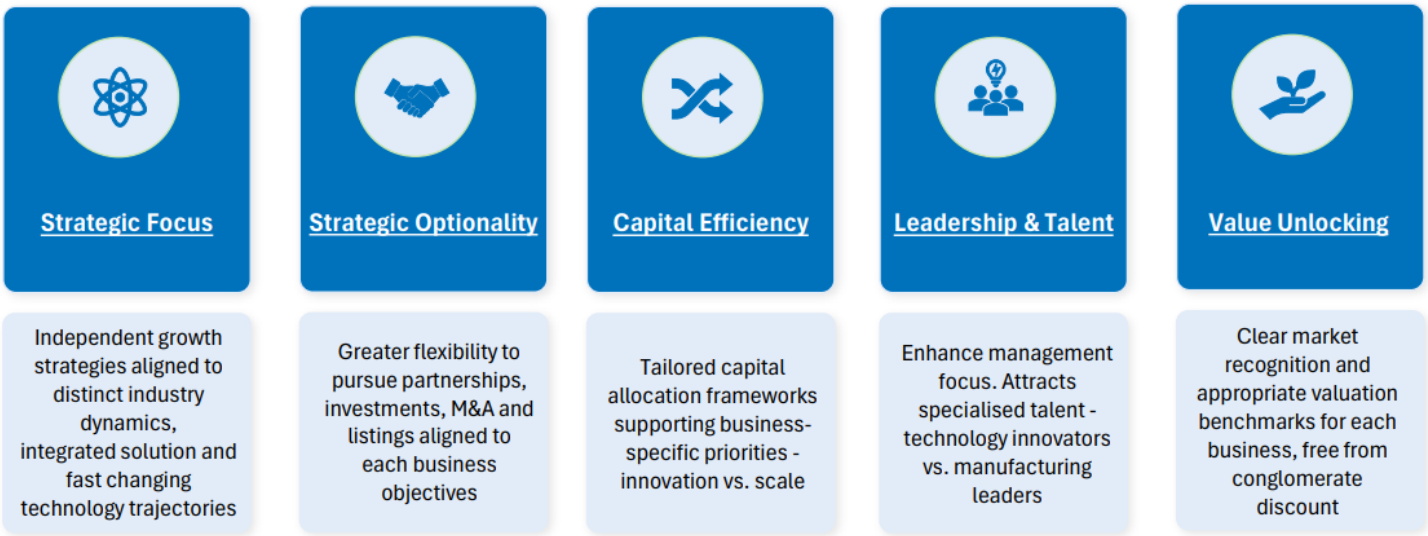
		Pricol Autotech Limited (DICVS)	Pricol Limited (ACFMS & P3L)
1	Strategic Identity	Technology platform for Automotive Business, Rides the structural fast changing & dynamic global technology transformation with integrated solutions.	Core Automotive Engineering & Industrial Manufacturing Platform. Rides production growth, Manufacturing Agility and replacement demand
2	Value Creation Model	Innovation-led: technology, premiumization & increasing electronic content per vehicle, with integrated solutions.	Scale-led: manufacturing excellence, operational efficiency & competitive pricing
3	Key Industry Megatrends	Display, electrification, connectivity, entertainment, e-cockpit, smart mobility, vehicle intelligence, ADAS	Vehicle production growth, localisation, increased global market penetration, lightweighting & manufacturing efficiency
4	Competitive Advantage	Software, hardware & electronics engineering expertise, IP & product innovation through integrated solutions	Manufacturing capabilities, process excellence, cost competitiveness & operational execution
5	Capital Deployment Priorities	Talent, product development, software, global R&D centres, tech investments & overseas acquisitions	Manufacturing capacity, automation, productivity enhancement, operations & domestic acquisitions
6	Talent Ecosystem	Electronics and Electro – Mechanical engineers, embedded software specialists, system architects, tech innovators, cyber security and functional safety experts.	Manufacturing leaders, Electro - Mechanical engineers, Fluid Management Experts and Polymer Specialists.
7	Partnership Ecosystem	Display, Chip design, semiconductor companies, software / embedded providers, mobility innovators & extended solution providers.	Tier-2/3 suppliers, manufacturing partners & industrial ecosystem participants
8	Business Risk Profile	Technology disruption, product innovation cycles & semiconductor ecosystem risks	Automotive cyclicality, commodity costs & operational execution risks

Source: Company, Emkay Research

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Exhibit 5: Strategic objective of the demerger



The proposed demerger will create two focused listed entities, enabling each business to pursue its own strategic agenda, accelerate decision-making, improve capital allocation & unlock long-term shareholder value.

Source: Company, Emkay Research

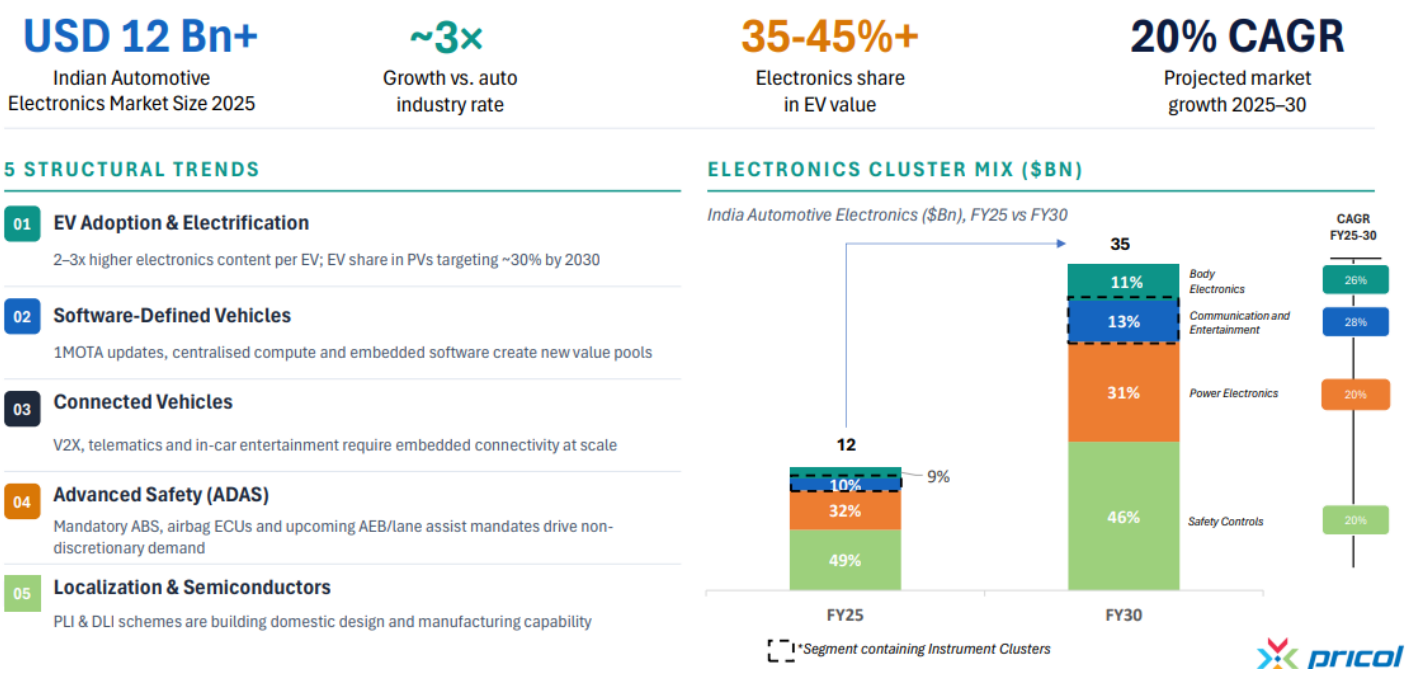
Exhibit 6: Value proposition for shareholders; unlocking shareholder value from owning one diversified company to two focused, structurally different entities



Source: Company, Emkay Research

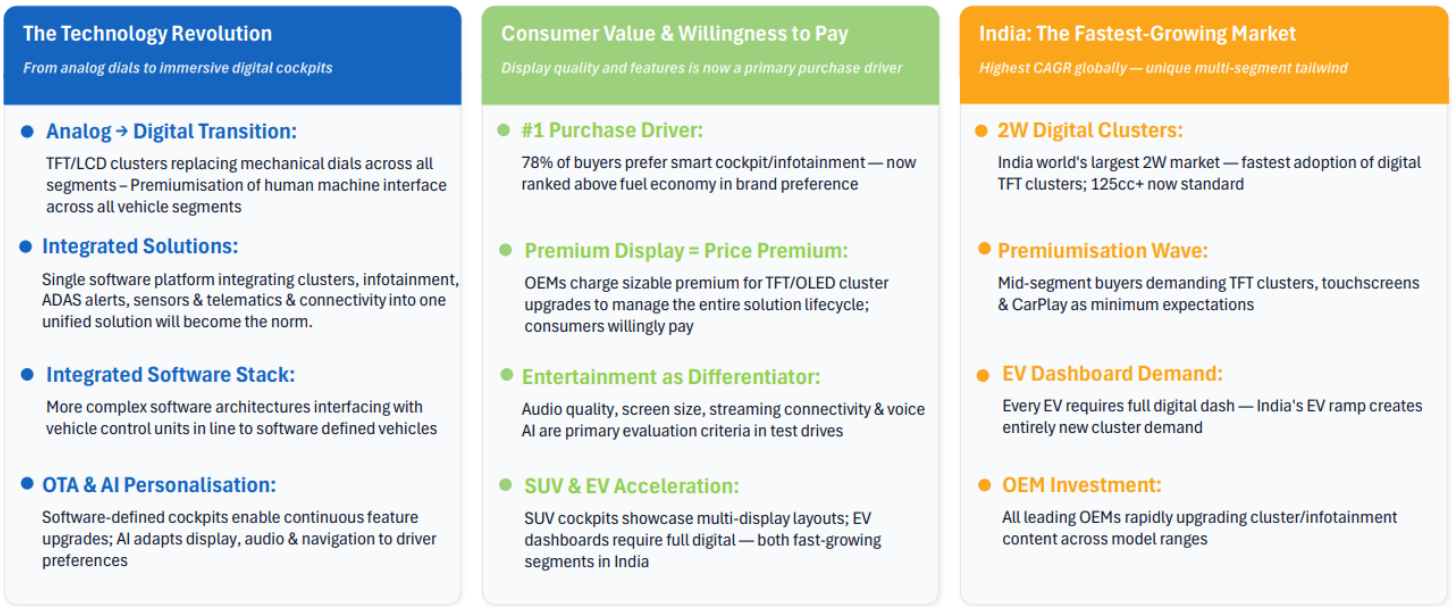
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Exhibit 7: Indian automotive electronics – High growth opportunity, driven by electrification, connectivity, and software-defined vehicles



Source: Company, Emkay Research

Exhibit 8: Structural integration on fast evolving technology solutions; Pricol aims to become a value-added player



Source: Company, Emkay Research

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Exhibit 9: Key segments of India's automotive electronics market

ADAS & Active Safety

- Bharat NCAP drives AEB, lane-keep, blind-spot adoption
- Cameras, radar, ultrasonic sensors — core hardware layer
- Luxury → premium → mid-segment cascade underway
- L2 autonomy scaling (Tata, MG, Hyundai)

Powertrain & EV Power Electronics

- BMS, inverters & on-board chargers in focus
- Domestic BMS design emerging; cells still imported
- SiC / GaN power semiconductors

Sensors Market

- MEMS, LiDAR, radar, ultrasonic & position sensors
- ADAS, EVs & predictive maintenance drive demand
- Import-heavy today; PLI/ECMS building local ecosystem

Body Electronics

- Keyless entry, auto windows, ambient lighting
- BCM consolidation reducing ECU count
- Comfort electronics reaching mid to low vehicle segments

Telematics & Connectivity

- Today, clusters are integrated with telematics and sensor
- e-SIM + 4G/5G telematics units becoming standard
- Fleet management, remote diagnostics, telematics are becoming a norm

ECUs & Domain Controllers

- Shift from distributed ECUs to domain/zonal control
- Central compute gaining share
- SDV architecture needs high-compute, OTA-capable SoCs
- High interfacing and integration with Digital clusters

Source: Company, Emkay Research

Exhibit 10: Acquisition of SACL has enabled further expansion of Pricol's already diverse product portfolio



Source: Company, Emkay Research

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Exhibit 11: Pricol's major customers



Source: Company, Emkay Research

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Exhibit 12: We expect Pricol's blended EBITDAM to be under pressure in FY27E due to elevated RM costs, with improvement in FY28E/FY29E

Revenue (Rs mn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Pricol, ex-P3L	25,446	31,168	39,987	47,598	54,800
Sundaram (P3L)	1,474	*9,240*	*11,920*	*14,304*	*16,449*
Consolidated	**26,919**	**40,408**	**51,906**	**61,901**	**71,249**
Growth yoy (%)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Pricol, ex-P3L	*12.0*	*22.5*	*28.3*	*19.0*	*15.1*
Sundaram (P3L)			*29.0*	*20.0*	*15.0*
Mix (%)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Pricol, ex-P3L	*95*	*77*	*77*	*77*	*77*
Sundaram (P3L)	*5*	*23*	*23*	*23*	*23*
EBITDA (Rs mn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Pricol, ex-P3L	3,052	3,824	4,752	6,048	7,180
Sundaram (P3L)	77	*869*	*1,122*	*1,446*	*1,696*
EBITDAM (%)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Pricol, ex-P3L	*12.0*	*12.3*	*11.9*	*12.7*	*13.1*
Sundaram (P3L)	*5.2*	*9.4*	*9.4*	*10.1*	*10.3*
Blended EBITDA margin (%)	***11.6***	***11.6***	***11.3***	***12.1***	***12.5***
PAT (Rs mn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Pricol, ex-P3L	1,658	2,136	2,718	3,540	4,304
Sundaram (P3L)	12	372	424	590	762
PAT (%)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Pricol, ex-P3L	*6.5*	*6.9*	*6.8*	*7.4*	*7.9*
Sundaram (P3L)	*0.8*	4.0	3.6	4.1	4.6
Blended PAT margin (%)	***6.2***	***6.2***	***6.1***	***6.7***	***7.1***

Source: Company, Emkay Research

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Exhibit 13: We model in 17%/23%/27% consolidated revenue/EBITDA/PAT CAGR over FY27E-29E

Particulars	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Instrument Cluster (DIS)	**12,731**	**15,902**	**18,619**	**23,692**	**31,049**	**36,512**	**41,052**
Growth yoy (%)		*24.9*	*17.1*	*27.2*	*31.1*	*17.6*	*12.4*
2Ws	8,275	10,337	13,534	17,244	23,504	27,977	31,812
Growth yoy (%)		*24.9*	*30.9*	*27.4*	*36.3*	*19.0*	*13.7*
CVs & Off road	3,819	3,481	3,564	4,385	4,938	5,475	5,859
Growth yoy (%)		*-8.9*	*2.4*	*23.0*	*12.6*	*10.9*	*7.0*
PVs	637	991	1,521	2,063	2,606	3,061	3,381
Growth yoy (%)		*55.7*	*53.5*	*35.6*	*26.3*	*17.4*	*10.5*
ACFMS division	**6,855**	**6,815**	**7,361**	**7,475**	**8,938**	**11,085**	**13,749**
Growth yoy (%)		*-0.6*	*8.0*	*1.6*	*19.6*	*24.0*	*24.0*
Of which disc brakes	0	0	0	299	900	1440	1620
					201.0	*60.0*	*12.5*
Non-brakes	6,855	6,815	7,361	7,176	8,038	9,645	11,574
Growth yoy (%)		*-0.6*	*8.0*	*-2.5*	*12.0*	*20.0*	*20.0*
Pricol's Core business revenue	**19,586**	**22,718**	**25,980**	**31,168**	**39,987**	**47,598**	**54,800**
Growth yoy (%)		*16.0*	*14.4*	*20.0*	*28.3*	*19.0*	*15.1*
P3L (Sundaram Auto Components)	**-**	**-**	**1,474**	**9,240**	**11,920**	**14,304**	**16,449**
Growth yoy (%)					*29.0*	*20.0*	*15.0*
Revenue Mix (%)	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue splits							
Instrument Cluster	65.0	70.0	69.2	58.6	59.8	59.0	57.6
ACFMS	35.0	30.0	27.3	18.5	17.2	17.9	19.3
P3L (erstwhile Sundaram Auto Components)	0.0	0.0	5.5	22.9	23.0	23.1	23.1
Within Instrument Cluster Division							
2Ws	*65*	*65*	*73*	*73*	*76*	*77*	*77*
CVs & Off road	*30*	*30*	*19*	*19*	*16*	*15*	*14*
PVs	*5*	*5*	*8*	*9*	*8*	*8*	*8*
Total Consolidated revenue	**19,586**	**22,718**	**26,919**	**40,408**	**51,906**	**61,901**	**71,249**
Growth yoy (%)	*26.8*	*16.0*	*18.5*	*50.1*	*28.5*	*19.3*	*15.1*
EBITDA	**2,285**	**2,731**	**3,129**	**4,694**	**5,874**	**7,494**	**8,876**
Growth yoy (%)	*26.5*	*19.5*	*14.6*	*50.0*	*25.1*	*27.6*	*18.4*
EBITDA margin (%)	***11.7***	***12.0***	***11.6***	***11.6***	***11.3***	***12.1***	***12.5***
Pricol's Core EBITDA	2,285	2,731	3,052	3,824	4,752	6,048	7,180
Pricol's core-EBITDAM (%)	***11.7***	***12.0***	***12.0***	***12.3***	***11.9***	***12.7***	***13.1***
P3L - EBITDA			*77*	*869*	*1,122*	*1,446*	*1,696*
P3L - EBITDAM (%)			***5.2***	***9.4***	***9.4***	***10.1***	***10.3***
PAT	**1,150**	**1,406**	**1,670**	**2,508**	**3,142**	**4,130**	**5,066**
PAT margin (%)	*5.9*	*6.2*	*6.2*	*6.2*	*6.1*	*6.7*	*7.1*
Pricol - Core PAT	**1,150**	**1,406**	**1,658**	**2,136**	**2,718**	**3,540**	**4,304**
Pricol - Core-PATM (%)	*5.9*	*6.2*	*6.5*	*6.9*	*6.8*	*7.4*	*7.9*
P3L - PAT			***12***	***372***	***424***	***590***	***762***
P3L - PATM (%)			*0.8*	*4.0*	*3.6*	*4.1*	*4.6*
EPS (Rs)	**9.4**	**11.5**	**13.7**	**20.6**	**25.8**	**33.9**	**41.6**

Source: Company, Emkay Research

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Exhibit 14: Our estimates are unchanged

Total Consolidated	FY26		FY27E				FY28E				FY29E			
(Rs mn)	Actual	% yoy	Earlier	Revised	% Change	% yoy	Earlier	Revised	% Change	% yoy	Earlier	Revised	% Change	% yoy
Net Sales	40,408	*50.1*	51,906	51,906	*0.0*	*28.5*	61,901	61,901	*0.0*	*19.3*	71,249	71,249	*0.0*	*15.1*
EBITDA	4,694	*50.0*	5,874	5,874	*0.0*	*25.1*	7,494	7,494	*0.0*	*27.6*	8,876	8,876	*0.0*	*18.4*
Margin (%)	*11.6*	*(1) bps*	*11.3*	*11.3*	*0 bps*	*(30) bps*	*12.1*	*12.1*	*0 bps*	*79 bps*	*12.5*	*12.5*	*0 bps*	*35 bps*
APAT	2,508	*50.1*	3,142	3,142	*0.0*	*25.3*	4,130	4,130	*0.0*	*31.4*	5,066	5,066	*0.0*	*22.6*
Margin (%)	*6.2*	*0 bps*	*6.1*	*6.1*	*0 bps*	*(15) bps*	*6.7*	*6.7*	*0 bps*	*62 bps*	*7.1*	*7.1*	*0 bps*	*44 bps*
EPS (Rs)	20.6	*50.1*	25.8	25.8	*0.0*	*25.3*	33.9	33.9	*0.0*	*31.4*	41.6	41.6	*0.0*	*22.6*
Pricol - Core business	**FY26**		**FY27E**				**FY28E**				**FY29E**			
(Rs mn)	**Actual**	**% yoy**	**Earlier**	**Revised**	**% Change**	**% yoy**	**Earlier**	**Revised**	**% Change**	**% yoy**	**Earlier**	**Revised**	**% Change**	**% yoy**
Net Sales	31,168	*22.5*	39,987	39,987	*0.0*	*28.3*	47,598	47,598	*0.0*	*19.0*	54,800	54,800	*0.0*	*15.1*
EBITDA	3,824	*25.3*	4,752	4,752	*0.0*	*24.3*	6,048	6,048	*0.0*	*27.3*	7,180	7,180	*0.0*	*18.7*
Margin (%)	*12.3*	*28 bps*	*11.9*	*11.9*	*0 bps*	*(39) bps*	*12.7*	*12.7*	*0 bps*	*82 bps*	*13.1*	*13.1*	*0 bps*	*39 bps*
APAT	2,136	*28.8*	2,718	2,718	*0.0*	*27.2*	3,540	3,540	*0.0*	*30.3*	4,304	4,304	*0.0*	*21.6*
Margin (%)	*6.9*	*34 bps*	*6.8*	*6.8*	*0 bps*	*(6) bps*	*7.4*	*7.4*	*0 bps*	*64 bps*	*7.9*	*7.9*	*0 bps*	*42 bps*
EPS (Rs)	*17.5*	*28.8*	*22.3*	*22.3*	*0.0*	*27.2*	*29.0*	*29.0*	*0.0*	*30.3*	*35.3*	*35.3*	*0.0*	*21.6*
P3L	**FY26**		**FY27E**				**FY28E**				**FY29E**			
(Rs mn)	**Revised**	**% yoy**	**Earlier**	**Revised**	**% Change**	**% yoy**	**Earlier**	**Revised**	**% Change**	**% yoy**	**Earlier**	**Revised**	**% Change**	**% yoy**
Net Sales	9,240	*9.7*	11,920	11,920	*0.0*	*29.0*	14,304	14,304	*0.0*	*20.0*	16,449	16,449	*0.0*	*15.0*
EBITDA	869	*47.2*	1,122	1,122	*0.0*	*29.0*	1,446	1,446	*0.0*	*28.9*	1,696	1,696	*0.0*	*17.3*
Margin (%)	*9.4*	*240 bps*	*9.4*	*9.4*	*0 bps*	*(0) bps*	*10.1*	*10.1*	*0 bps*	*70 bps*	*10.3*	*10.3*	*0 bps*	*20 bps*
APAT	372	*24.2*	424	424	*0.0*	*14.2*	590	590	*0.0*	*39.0*	762	762	*0.0*	*29.1*
Margin (%)	*4.0*	*402 bps*	*3.6*	*3.6*	*0 bps*	*(46) bps*	*4.1*	*4.1*	*0 bps*	*56 bps*	*4.6*	*4.6*	*0 bps*	*50 bps*
EPS (Rs)	3.1	*24.2*	3.5	3.5	*0.0*	*14.2*	4.8	4.8	*0.0*	*39.0*	6.2	6.2	*0.0*	*29.1*

Source: Company, Emkay Research

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Pricol: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**26,919**	**40,408**	**51,906**	**61,901**	**71,249**
Revenue growth (%)	18.5	50.1	28.5	19.3	15.1
EBITDA	**3,129**	**4,694**	**5,874**	**7,494**	**8,876**
EBITDA growth (%)	14.6	50.0	25.1	27.6	18.4
Depreciation & Amortization	898	1,200	1,410	1,676	1,886
EBIT	**2,232**	**3,494**	**4,464**	**5,819**	**6,990**
EBIT growth (%)	16.8	56.6	27.7	30.4	20.1
Other operating income	-	-	-	-	-
Other income	166	116	133	160	192
Financial expense	132	300	446	522	490
PBT	**2,266**	**3,309**	**4,151**	**5,456**	**6,692**
Extraordinary items	0	0	0	0	0
Taxes	596	801	1,009	1,326	1,626
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	**1,670**	**2,508**	**3,142**	**4,130**	**5,066**
PAT growth (%)	18.8	50.1	25.3	31.4	22.6
Adjusted PAT	**1,670**	**2,508**	**3,142**	**4,130**	**5,066**
Diluted EPS (Rs)	**13.7**	**20.6**	**25.8**	**33.9**	**41.6**
Diluted EPS growth (%)	18.8	50.1	25.3	31.4	22.6
DPS (Rs)	**0**	**2.0**	**2.0**	**3.0**	**4.0**
Dividend payout (%)	**0**	**9.7**	**7.8**	**8.9**	**9.6**
EBITDA margin (%)	11.6	11.6	11.3	12.1	12.5
EBIT margin (%)	8.3	8.6	8.6	9.4	9.8
Effective tax rate (%)	26.3	24.2	24.3	24.3	24.3
NOPLAT (pre-IndAS)	**1,645**	**2,648**	**3,379**	**4,405**	**5,291**
Shares outstanding (mn)	122	122	122	122	122

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	122	122	122	122	122
Reserves & Surplus	10,038	12,427	15,204	18,846	23,912
Net worth	**10,160**	**12,549**	**15,326**	**18,968**	**24,034**
Minority interests	0	0	0	0	0
Non-current liab. & prov.	299	246	246	246	246
Total debt	**2,789**	**3,792**	**5,792**	**5,442**	**5,092**
Total liabilities & equity	**13,248**	**16,586**	**21,363**	**24,656**	**29,371**
Net tangible fixed assets	6,612	8,245	10,925	12,750	13,364
Net intangible assets	1,316	1,055	1,055	1,055	1,055
Net ROU assets	-	-	-	-	-
Capital WIP	704	1,116	525	525	525
Goodwill	517	418	418	418	418
Investments [JV/Associates]	71	74	74	74	74
Cash & equivalents	**1,090**	**1,258**	**2,870**	**3,081**	**4,890**
Current assets (ex-cash)	8,918	11,856	15,035	17,798	20,773
Current Liab. & Prov.	6,243	8,164	10,269	11,775	12,457
NWC (ex-cash)	**2,674**	**3,692**	**4,766**	**6,023**	**8,316**
Total assets	**13,248**	**16,586**	**21,363**	**24,656**	**29,371**
Net debt	1,699	2,534	2,922	2,361	202
Capital employed	13,248	16,586	21,363	24,656	29,371
Invested capital	**11,383**	**14,139**	**17,894**	**20,976**	**23,883**
BVPS (Rs)	83.4	102.9	125.7	155.6	197.2
Net Debt/Equity (x)	0.2	0.2	0.2	0.1	-
Net Debt/EBITDA (x)	0.5	0.5	0.5	0.3	-
Interest coverage (x)	18.2	12.0	10.3	11.4	14.7
RoCE (%)	**21.8**	**24.6**	**24.5**	**26.3**	**26.8**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	2,266	3,309	4,151	5,456	6,692
Others (non-cash items)	(38)	141	0	0	0
Taxes paid	(39)	(859)	(1,009)	(1,326)	(1,626)
Change in NWC	(950)	(1,246)	(1,196)	(1,379)	(1,805)
Operating cash flow	**2,234**	**2,813**	**3,801**	**4,949**	**5,636**
Capital expenditure	(1,966)	(3,195)	(3,500)	(3,500)	(2,500)
Acquisition of business	(1,839)	184	0	0	0
Interest & dividend income	36	32	0	0	0
Investing cash flow	**(3,805)**	**(3,012)**	**(3,500)**	**(3,500)**	**(2,500)**
Equity raised/(repaid)	0	-	0	0	0
Debt raised/(repaid)	695	879	2,000	(350)	(350)
Payment of lease liabilities	0	0	0	0	0
Interest paid	(133)	(300)	(446)	(522)	(490)
Dividend paid (incl tax)	0	(244)	(244)	(366)	(488)
Others	0	0	0	0	0
Financing cash flow	**562**	**335**	**1,311**	**(1,238)**	**(1,327)**
Net chg in Cash	(973)	168	1,612	211	1,809
OCF	2,234	2,813	3,801	4,949	5,636
Adj. OCF (w/o NWC chg.)	3,184	4,059	4,998	6,328	7,441
FCFF	268	(383)	301	1,449	3,136
FCFE	172	(651)	(144)	927	2,646
OCF/EBITDA (%)	71.4	59.9	64.7	66.0	63.5
FCFE/PAT (%)	10.3	(25.9)	(4.6)	22.4	52.2
FCFF/NOPLAT (%)	**16.3**	**(14.4)**	**8.9**	**32.9**	**59.3**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	55.1	36.7	29.3	22.3	18.2
P/CE(x)	35.8	24.8	20.2	15.9	13.2
P/B (x)	9.1	7.3	6.0	4.9	3.8
EV/Sales (x)	3.5	2.3	1.8	1.5	1.3
EV/EBITDA (x)	30.0	20.1	16.2	12.6	10.4
EV/EBIT(x)	42.0	27.1	21.3	16.2	13.2
EV/IC (x)	8.2	6.7	5.3	4.5	3.9
FCFF yield (%)	0.3	(0.4)	0.3	1.5	3.4
FCFE yield (%)	0.2	(0.7)	(0.2)	1.0	2.9
Dividend yield (%)	0	0.3	0.3	0.4	0.5
DuPont-RoE split					
Net profit margin (%)	6.2	6.2	6.1	6.7	7.1
Total asset turnover (x)	2.4	2.7	2.7	2.7	2.6
Assets/Equity (x)	1.2	1.3	1.4	1.3	1.3
RoE (%)	**17.9**	**22.1**	**22.5**	**24.1**	**23.6**
DuPont-RoIC					
NOPLAT margin (%)	6.1	6.6	6.5	7.1	7.4
IC turnover (x)	2.8	3.2	3.2	3.2	3.2
RoIC (%)	**17.1**	**20.8**	**21.1**	**22.7**	**23.6**
Operating metrics					
Core NWC days	36.3	33.3	33.5	35.5	42.6
Total NWC days	**36.3**	**33.3**	**33.5**	**35.5**	**42.6**
Fixed asset turnover	1.9	2.4	2.5	2.5	2.6
Opex-to-revenue (%)	19.3	19.2	18.6	18.1	18.0

Source: Company, Emkay Research

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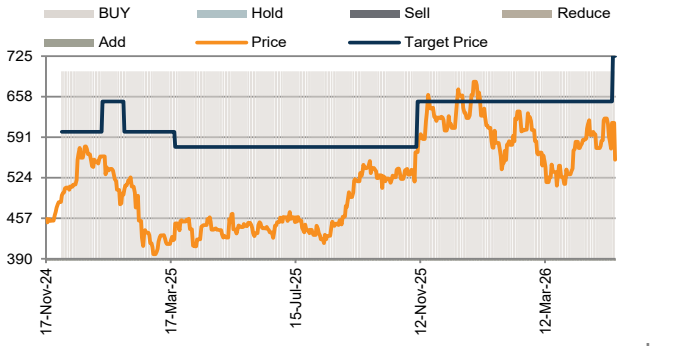
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Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
05-Nov-26	728	900	Buy	Chirag Jain
05-Nov-26	728	900	Buy	Chirag Jain
01-Aug-26	697	800	Buy	Chirag Jain
01-Aug-26	697	800	Buy	Chirag Jain
16-May-26	615	725	Buy	Chirag Jain
16-May-26	615	725	Buy	Chirag Jain
16-Apr-26	580	650	Buy	Chirag Jain
16-Apr-26	580	650	Buy	Chirag Jain
09-Mar-26	544	650	Buy	Chirag Jain
09-Mar-26	544	650	Buy	Chirag Jain
31-Jan-26	549	650	Buy	Chirag Jain
31-Jan-26	549	650	Buy	Chirag Jain
09-Nov-25	566	650	Buy	Chirag Jain
09-Nov-25	566	650	Buy	Chirag Jain
03-Aug-25	429	575	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
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