

KEI Industries | BUY

Confident of FY26/27E guidance despite capex delay

KEI's 2QFY26 performance was largely in line with estimate, with revenue, EBITDA, and PAT seeing YoY growth of 20%, 22%, and 31% respectively. Volume growth stood at 15% YoY for 1HFY26, and 10% YoY for 2QFY26. While both the institutional and dealer channel performed well, within the institutional channel growth in exports massively outpaced that in the domestic institutional business, given a conscious decision to allocate a higher share of capacities to exports. We understand that the stock's sharp reaction post 2Q results was owing predominantly to the delay in commissioning the Sanand facility, phase 1 of which is now expected by Nov'25 (Sep'25 earlier) and phase 2 by Mar'27. Despite this delay, the management has retained its guidance of 18-20% YoY revenue growth in FY26E and FY27E. We revise our FY26-28E EPS estimates by 0 to -3%. Our target price stands at INR 4,820, at 40x Sep'27E EPS. Maintain BUY.

- **2QFY26 PAT slightly ahead of estimate:** KEI's 2Q revenue at INR 27.3bn, +20% YoY was in line vs. estimate of INR 27.3bn, driven by growth in the institutional and dealer channel. 2Q EBITDA, at INR 2.7bn, +22% YoY was 2% lower than estimate of INR 2.8bn, while margins at 9.9%, rose marginally YoY (+20bps) and was slightly below estimate of 10.1%. 2Q PAT, at INR 2bn, rose 31% YoY and was 3% ahead of estimate of INR 1.9bn, driven by a strong operating performance, higher other income and lower than estimated finance costs. Volume growth stood at 15% for 1HFY26, and 10% for 2Q.
- **C&W growth strong; decline in EPC is in line with management strategy:** In 2Q, KEI's cables & wires (C&W) business registered 23% YoY growth to INR 26.3bn, while the stainless steel wires (SSW) and EPC projects business registered YoY decline of 10% and 23% respectively. Here, the decline in EPC revenue is in line with the company's strategy to limit growth in the segment. EBIT margin in the C&W business stood at 10.9%, ~40bps higher YoY.
- **Growth in institutional channel outpaces growth in the dealer (retail) channel:** KEI posted strong growth in the institutional and retail channel, +23% and +17% respectively. Within the institutional business, exports saw strong growth, wherein 2Q revenue stood at INR 4.3bn vs. INR 2bn in 2QFY25, while revenue from the domestic institutional business was relatively muted and EPC saw a decline of 23% YoY. This was the result of the management focusing more on exports through this quarter, and in accordance with this strategy, shifting some domestic capacities to cater to export markets. This, in turn, led to growth in exports outpacing that in the domestic business, especially the institutional (ex-EPC) portion.
- **Sanand capex delayed, but guidance unchanged:** Commencement of Phase 1 (elongated monsoons in Gujarat and challenges given labour shortages) and Phase 2 (higher-than-expected complexities especially for EHV cables) at Sanand has been delayed. However, trial runs have begun in Phase 1, and full-fledged operations are expected by Nov'25. Phase 2 is also expected to be operational by Mar'27. In all, Sanand plant should drive revenue of INR 60bn upon optimal utilisation (INR 12bn from EHV cables, and INR 12bn from LV and MV power cables). Despite the delay in commencement of the new plant, revenue growth guidance for FY26 is unchanged at +18% YoY (aspiration to grow higher than this at 20%). Revenue growth guidance for FY27E is also unchanged at 20% YoY growth (endeavour to grow higher than guided). EBITDA margin should be flat YoY in FY26E and FY27E, and see a 100-150bps expansion in FY28 as EHV capacities ramp up.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	4,820
Upside/(Downside)	15.5%
Previous Price Target	4,900
Change	-1.6%

Key Data – KEI IN

Current Market Price	INR4,173
Market cap (bn)	INR398.7/US\$4.5
Free Float	62%
Shares in issue (mn)	95.6
Diluted share (mn)	95.6
3-mon avg daily val (mn)	INR1,088.9/US\$12.4
52-week range	4,706/2,424
Sensex/Nifty	83,468/25,585
INR/US\$	87.8

Price Performance

%	1M	6M	12M
Absolute	-0.2	51.5	-4.8
Relative*	-1.1	42.5	-7.6

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	81,041	97,359	116,831	142,533	173,891
Sales Growth (%)	17.2	20.1	20.0	22.0	22.0
EBITDA	8,375	9,910	11,683	14,538	18,606
EBITDA Margin (%)	10.3	10.2	10.0	10.2	10.7
Adjusted Net Profit	5,807	6,964	8,272	10,031	12,686
Diluted EPS (INR)	64.4	72.9	86.6	105.0	132.8
Diluted EPS Growth (%)	21.6	13.3	18.8	21.3	26.5
ROIC (%)	23.9	20.4	16.5	16.1	17.8
ROE (%)	20.2	15.6	13.3	14.1	15.4
P/E (x)	64.8	57.3	48.2	39.8	31.4
P/B (x)	12.0	6.9	6.0	5.2	4.5
EV/EBITDA (x)	47.2	38.7	33.4	26.7	20.7
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.1

Source: Company data, JM Financial. Note: Valuations as of 16/Oct/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Key takeaways from concall

Guidance unchanged despite delay in new capex

- **Revenue guidance:** Revenue growth guidance unchanged at 18% YoY. However, remain confident of growth for FY26E coming in higher than guided range, at 20%. Further, guidance for FY27E also unchanged at 20% YoY growth, while the endeavour will be to surpass this guidance as well. Will drive growth from whichever channel wherein opportunity lies, including the dealer/institutional/export channel. However, target to restrict EPC revenue to ~INR 4.5bn annually.
- **EBITDA guidance:** Margins should be flat YoY in FY26E and FY27E. In FY28E, expect 1-1.5% margin expansion as EHV capacities ramp up.
- **Revenue growth driven by input price inflation and fairly decent volume growth:** Volume growth stood at 15% for 1HFY26, 10% for 2Q and the rest was the result of input price inflation. In 2Q, copper volumes rose 18% YoY and constituted 45% of total volume (42% earlier) and aluminium volumes rose 3% and constituted the balance 55% (58% earlier), driving weighted average volume growth of 10%. This was due to strong growth in the export markets wherein consumer preference was for a higher share of copper in the product. The management also claimed that it has been able to pass on most of the price increases through bi-monthly price revisions.
- **Data centres as an emerging opportunity:** The management indicated that it sees data centres as an interesting emerging opportunity. Data centres require EHV cables for incoming power, MV cables for relatively smaller data centres and copper cables within the data centre. Generally, the share of C&W in total data centre stands at 8-9% of the total investment, and all SKUs required in setting up a data centre are available with KEI Industries.
- **Order book:** Current order book stands at INR 34.3bn. Out of this, EPC business constitutes INR 4.8bn, EHV stands at INR 6.4bn, domestic cable institutional business at INR 20.1bn, and export order book stands at INR 6.4bn. Execution of this order book is 4 months for cables and 18 months for the EPC portion.

Progress in exports

- **Focus was higher on exports this quarter:** All-time high revenue from export at INR 4.3bn vs. INR 2bn in 2QFY25. Have focused on exports more through this quarter, and in line with this strategy, shifted some domestic capacities to cater to export markets. This, in turn, led to growth in exports outpacing that in the domestic business, especially the institutional (ex-EPC) portion.
- **Key geographies:** Australia, Middle East, Africa, and a few customers in Europe and USA.
- **Growth in domestic market to revert back to normal levels:** This growth in the domestic market will revert to normalised levels from 3Q, once the Sanand plant commences operations.

Capacity expansion: Sanand and beyond

- **Capacity utilisation:** Capacity utilisation currently stands at 78% in the cable division, and 65% in the house wires division. This is calculated in terms of kilometres. Theoretically, with EHV sales ramping up, capacity utilisation will appear to be lower than LV/MV cables ramping up.
- **Delay in Sanand capex:** Phase 1 and Phase 2 commencement has both been delayed. Delay in Phase 1 was owing to elongated monsoons in Gujarat and challenges from the contractor's end given labour shortages. Expect Phase 1 to be operational for mass production by Nov'25. Trial runs have already begun, and very confident of full-fledged operations by Nov'25. Phase 2 has been delayed owing to higher-than-expected complexities especially for EHV cables. In all, the Sanand plant should drive revenue of INR 60bn upon optimal utilisation (INR 12bn for EHV cables, and INR 12bn for LV and MV power cables). Around Nov'25, around 50% of the Sanand plant will be live and should further aid growth.

Exhibit 1. KEI - 2QFY26 result review

INR mn	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25E	Q1FY26	Q2FY26	Q2FY26E
Revenue	19,466	20,594	23,193	81,078	20,605	22,796	24,673	29,148	97,222	25,903	27,263	27,356
YoY	21%	15%	19%	17%	16%	17%	20%	26%	20%	26%	20%	20%
Raw material costs	(14,552)	(15,494)	(17,385)	(60,774)	(15,194)	(17,310)	(18,865)	(22,250)	(73,619)	(19,728)	(20,731)	(20,835)
% of sales	74.8%	75.2%	75.0%	75.0%	73.7%	75.9%	76.5%	76.3%	75.7%	76.2%	76.0%	76.2%
Gross Profit	4,914	5,100	5,807	20,304	5,411	5,487	5,808	6,898	23,603	6,175	6,532	6,521
GP Margins	25.2%	24.8%	25.0%	25.0%	26.3%	24.1%	23.5%	23.7%	24.3%	23.8%	24.0%	23.8%
Subcontractor expense	(217)	(214)	(376)	(1,069)	(386)	(317)	(207)	(238)	(1,148)	(170)	(176)	(220)
% of sales	1.1%	1.0%	1.6%	1.3%	1.9%	1.4%	0.8%	0.8%	1.2%	0.7%	0.6%	0.8%
Employee cost	(662)	(664)	(695)	(2,671)	(731)	(743)	(754)	(821)	(3,050)	(853)	(861)	(900)
% of sales	3.4%	3.2%	3.0%	3.3%	3.5%	3.3%	3.1%	2.8%	3.1%	3.3%	3.2%	3.3%
Other expenses	(1,996)	(2,076)	(2,290)	(8,151)	(2,148)	(2,220)	(2,438)	(2,827)	(9,633)	(2,572)	(2,802)	(2,650)
% of sales	10.3%	10.1%	9.9%	10.1%	10.4%	9.7%	9.9%	9.7%	9.9%	9.9%	10.3%	9.7%
Total	(17,427)	(18,448)	(20,747)	(72,665)	(18,459)	(20,590)	(22,264)	(26,135)	(87,449)	(23,323)	(24,570)	(24,605)
EBITDA	2,039	2,146	2,446	8,412	2,146	2,206	2,408	3,013	9,773	2,580	2,693	2,751
Margin (%)	10.5%	10.4%	10.5%	10.4%	10.4%	9.7%	9.8%	10.3%	10.1%	10.0%	9.9%	10.1%
Company EBITDA margin	10.9%	11.1%	11.2%	10.9%	11.3%	10.4%	10.3%	11.6%	10.9%	11.5%	11.4%	11.15%
Depreciation	(156)	(154)	(158)	(614)	(155)	(163)	(190)	(193)	(701)	(199)	(202)	(250)
EBIT	1,883	1,992	2,288	7,799	1,991	2,043	2,219	2,819	9,071	2,381	2,491	2,501
EBIT margin (%)	9.7%	9.7%	9.9%	9.6%	9.7%	9.0%	9.0%	9.7%	9.3%	9.2%	9.1%	9.1%
Other income	77	142	152	453	178	169	136	371	855	396	423	300
Finance Expenses	(75)	(109)	(165)	(439)	(142)	(133)	(143)	(139)	(556)	(145)	(142)	(160)
Extraordinary	0	0	-2	-2					0			
PBT	1,884	2,024	2,272	7,811	2,027	2,079	2,212	3,052	9,370	2,632	2,772	2,641
Tax	(482)	(518)	(587)	(2,002)	(525)	(531)	(564)	(786)	(2,406)	(675)	(738)	(663)
Tax rate %	25.6%	25.6%	25.8%	25.6%	25.9%	25.5%	25.5%	25.8%	25.7%	25.6%	26.6%	25.1%
PAT	1,402	1,507	1,686	5,808	1,502	1,548	1,648	2,265	6,964	1,957	2,035	1,978
YoY	31%	17%	22%	22%	24%	10%	9%	34%	20%	30%	31%	28%
NPM	7.2%	7.3%	7.3%	7.2%	7.3%	6.8%	6.7%	7.8%	7.2%	7.6%	7.5%	7.2%

Source: Company, JM Financial

Exhibit 2. KEI – 2QFY26 revenue mix

INR mn	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25E	Q1FY26	Q2FY26
Overall revenue	19,466	20,617	23,193	81,078	20,605	22,796	24,673	29,182	97,222	25,903	27,263
YoY	21.1%	15.5%	18.7%	17.3%	15.6%	17.1%	19.7%	25.8%	19.9%	25.7%	19.6%
Domestic institutional cables	5,275	5,398	7,838	23,690	5,994	6,948	8,884	7,442	29,268	8,329	7,249
growth (%)	-14.1%	-15.6%	-0.8%	-9.3%	15.7%	31.7%	64.6%	-5.1%	23.5%	39.0%	4.3%
Domestic EPC incl. cable component	3,131	3,769	3,405	12,151	2,261	1,309	759	2,234	6,562	994	1,014
growth (%)	195.8%	68.7%	52.6%	72.1%	22.4%	-58.2%	-79.9%	-34.4%	-46.0%	-56.0%	-22.6%
Domestic inst. incl. EPC	8,406	9,167	11,243	35,841	8,255	8,256	9,643	9,676	35,830	9,323	8,263
growth (%)	16.7%	6.2%	10.9%	8.0%	17.5%	-1.8%	5.2%	-13.9%	0.0%	12.9%	0.1%
% of overall	43%	44%	48%	44%	40%	36%	39%	33%	37%	36%	30%
Dealer (Retail)	9,230	9,490	10,560	37,700	10,850	12,580	12,470	14,976	50,876	13,260	14,750
growth (%)	14.2%	16.3%	28.5%	21.7%	28.9%	36.3%	31.4%	41.8%	34.9%	22.2%	17.2%
% of overall	47%	46%	46%	46%	53%	55%	51%	51%	52%	51%	54%
Export (cables, primarily institutional)	1,830	1,960	1,390	7,560	1,500	1,960	2,560	4,530	10,550	3,320	4,250
growth (%)	128.8%	86.7%	16.8%	52.1%	-37.0%	7.1%	30.6%	225.9%	39.6%	121.3%	116.8%
% of overall	9%	10%	6%	9%	7%	9%	10%	16%	11%	13%	16%
Total Institutional	10,236	11,127	12,633	43,401	9,755	10,216	12,203	14,206	46,380	12,643	12,513

Source: Company, JM Financial

Exhibit 3. KEI – 2QFY26 product mix

INR mn	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25E	Q1FY26	Q2FY26
Revenue	19,460	20,620	23,190	81,100	20,600	22,800	24,670	29,289	97,222	25,900	27,278
EHV	1,910	1,860	2,300	6,580	810	940	840	1,450	4,040	1,260	1,720
growth (%)	306%	81%	107%	80%	59%	-51%	-55%	-37%	-39%	56%	83%
% of overall	10%	9%	10%	8%	4%	4%	3%	5%	4%	5%	6%
HW	5,990	5,710	6,250	23,470	6,480	7,280	7,160	8,622	29,542	8,420	9,270
growth (%)	21%	23%	31%	27%	17%	22%	25%	38%	26%	30%	27%
% of overall	31%	28%	27%	29%	31%	32%	29%	29%	30%	33%	34%
HT Cable	2,600	3,640	3,950	13,170	3,190	4,310	5,600	6,538	19,638	4,800	3,230
growth (%)	13%	1%	11%	9%	7%	66%	54%	66%	49%	50%	-25%
% of overall	13%	18%	17%	16%	15%	19%	23%	22%	20%	19%	12%
LT Cable	7,360	7,640	8,410	30,620	8,400	8,890	9,930	11,650	38,870	10,370	11,870
growth (%)	9%	7%	3%	8%	17%	21%	30%	39%	27%	23%	34%
% of overall	38%	37%	36%	38%	41%	39%	40%	40%	40%	40%	44%
SSW	580	460	560	2,180	530	590	540	459	2,119	510	538
growth (%)	-17%	-15%	-11%	-12%	-9%	2%	17%	-18%	-3%	-4%	-9%
% of overall	3%	2%	2%	3%	3%	3%	2%	2%	2%	2%	2%
EPC (ex. Cable)	1,130	1,460	1,920	5,620	1,310	800	600	716	3,426	610	470
growth (%)	24%	54%	42%	39%	18%	-29%	-59%	-63%	-39%	-53%	-41%
% of overall	6%	7%	8%	7%	6%	4%	2%	2%	4%	2%	2%
Other net of Ind AS	(110)	(150)	(200)	(540)	(120)	(10)	(0)	(146)	(276)	(70)	180

Source: Company, JM Financial

Exhibit 4. KEI – 2QFY26 geographical revenue split (dealer/distributor)

INR mn	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25E	Q1FY26	Q2FY26
Dealer revenue	9,690	9,490	10,560	37,700	10,850	12,580	12,470	14,980	50,880	13,260	14,750
East	1,440	1,550	1,960	6,300	1,720	1,910	1,780	2,500	7,910	2,210	2,480
West	2,420	2,580	2,840	9,990	2,640	3,580	3,710	4,590	14,520	3,550	3,720
North	4,270	3,690	3,860	14,740	4,430	4,890	4,670	5,210	19,200	5,220	5,800
South	1,560	1,670	1,900	6,670	2,060	2,200	2,310	2,680	9,250	2,280	2,750

Source: Company, JM Financial

Exhibit 5. KEI – 2QFY26 segmental revenue and EBIT

INR mn	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25E	Q1FY26	Q2FY26
Revenue	19,466	20,617	23,193	81,101	20,605	22,796	24,673	29,148	97,222	25,903	27,263
Cables & Wires	17,755	18,691	20,691	73,256	18,757	21,402	23,517	27,968	91,644	24,771	26,256
growth %	23%	14%	18%	17%	16%	21%	26%	35%	25%	32%	23%
Stainless Steel Wires	591	465	572	2,218	538	598	551	462	2,148	521	539
growth %	-20%	-17%	-12%	-13%	-9%	1%	19%	-19%	-3%	-3%	-10%
EPC Projects	3,131	3,769	3,405	12,151	2,261	1,309	759	2,234	6,562	994	1,014
growth %	196%	69%	53%	72%	22%	-58%	-80%	-34%	-46%	-56%	-23%
Less: Inter-segment revenues	(2,011)	(2,308)	(1,474)	(6,524)	(950)	(513)	(154)	(1,515)	(3,133)	(383)	(545)
growth %	1177%	80%	66%	116%	30%	-75%	-93%	3%	-52%	-60%	6%
EBIT	2,135	2,309	2,627	8,788	2,323	2,382	2,498	3,199	10,402	2,763	2,980
Margin %	11.0%	11.2%	11.3%	10.8%	11.3%	10.4%	10.1%	11.0%	10.7%	10.7%	10.9%
Cables & Wires	1,919	1,979	2,258	7,570	2,067	2,241	2,372	3,069	9,749	2,665	2,871
Margin %	10.8%	10.6%	10.9%	10.3%	11.0%	10.5%	10.1%	11.0%	10.6%	10.8%	10.9%
Stainless Steel Wires	36	36	13	117	10	29	30	25	94	42	44
Margin %	6.1%	7.8%	2.3%	5.3%	1.9%	4.8%	5.5%	5.4%	4.4%	8.1%	8.2%
EPC Projects	314	439	422	1,431	298	121	19	170	608	79	51
Margin %	10.0%	11.6%	12.4%	11.8%	13.2%	9.2%	2.5%	7.6%	9.3%	8.0%	5.1%
Less: Inter-segment results	(134)	(145)	(65)	(330)	(53)	(9)	78	(65)	(49)	(24)	13
Margin %	6.7%	6.3%	4.4%	5.1%	5.6%	1.8%	-50.3%	4.3%	1.6%	6.3%	-2.5%

Source: Company, JM Financial

Exhibit 6. KEI – 1 year fwd PE (last 2 years)

Source: Company, JM Financial

Exhibit 7. KEI – 1 year fwd PE (last 5 years)

Source: Company, JM Financial

Exhibit 8. KEI EPS revision table

INR mn	FY26E	FY27E	FY28E
Revenue			
New	116,831	142,533	173,891
Old	117,804	143,721	175,340
Change	-0.8%	-0.8%	-0.8%
EBITDA			
New	11,683	14,823	18,432
Old	12,016	14,947	18,586
Change	-2.8%	-0.8%	-0.8%
EBITDA Margin %			
New	10.0%	10.4%	10.6%
Old	10.2%	10.4%	10.6%
Change	(20)	-	-
PAT			
New	8,272	10,210	12,521
Old	8,521	10,302	12,638
Change	-2.9%	-0.9%	-0.9%
EPS			
New	86.6	106.8	131.0
Old	89.2	107.8	132.3
Change	-2.9%	-0.9%	-0.9%

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	81,041	97,359	116,831	142,533	173,891
Sales Growth	17.2%	20.1%	20.0%	22.0%	22.0%
Other Operating Income	0	0	0	0	0
Total Revenue	81,041	97,359	116,831	142,533	173,891
Cost of Goods Sold/Op. Exp	60,774	73,619	88,558	108,287	131,699
Personnel Cost	2,671	3,043	3,530	4,059	4,668
Other Expenses	9,220	10,788	13,060	15,648	18,917
EBITDA	8,375	9,910	11,683	14,538	18,606
EBITDA Margin	10.3%	10.2%	10.0%	10.2%	10.7%
EBITDA Growth	18.6%	18.3%	17.9%	24.4%	28.0%
Depn. & Amort.	614	701	1,081	1,663	2,308
EBIT	7,762	9,208	10,602	12,875	16,298
Other Income	490	718	980	942	1,059
Finance Cost	439	556	535	421	416
PBT before Excep. & Forex	7,813	9,370	11,047	13,396	16,942
Excep. & Forex Inc/Loss(-)	-3	0	0	0	0
PBT	7,810	9,370	11,047	13,396	16,942
Taxes	2,002	2,406	2,775	3,365	4,256
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	5,807	6,964	8,272	10,031	12,686
Adjusted Net Profit	5,807	6,964	8,272	10,031	12,686
Net Margin	7.2%	7.2%	7.1%	7.0%	7.3%
Diluted Share Cap. (mn)	90.2	95.6	95.6	95.6	95.6
Diluted EPS (INR)	64.4	72.9	86.6	105.0	132.8
Diluted EPS Growth	21.6%	13.3%	18.8%	21.3%	26.5%
Total Dividend + Tax	316	382	334	382	430
Dividend Per Share (INR)	3.5	4.0	3.5	4.0	4.5

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	3,814	4,653	5,497	6,666	8,430
Depn. & Amort.	561	649	1,081	1,663	2,308
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	-596	-8,515	-3,948	-5,926	-7,452
Others	59	83	0	0	0
Taxes Paid	1,993	2,311	2,775	3,365	4,256
Operating Cash Flow	5,832	-819	5,405	5,769	7,542
Capex	-2,249	-5,488	-11,545	-5,000	-3,500
Free Cash Flow	3,583	-6,307	-6,140	769	4,042
Inc (-) / Dec in Investments	-3	-1	0	0	0
Others	-1,775	-1,463	100	100	100
Investing Cash Flow	-4,027	-6,952	-11,445	-4,900	-3,400
Inc / Dec (-) in Capital	-217	19,411	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	44	510	-230	-230	-230
Others	0	0	0	0	0
Financing Cash Flow	-172	19,921	-230	-230	-230
Inc / Dec (-) in Cash	1,632	12,149	-6,270	639	3,912
Opening Cash Balance	5,372	7,004	19,153	12,883	13,521
Closing Cash Balance	7,004	19,153	12,883	13,521	17,434

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	31,483	57,858	66,129	76,160	88,846
Share Capital	180	191	191	191	191
Reserves & Surplus	31,302	57,666	65,938	75,969	88,655
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	1,662	2,172	1,942	1,712	1,482
Def. Tax Liab. / Assets (-)	273	304	304	304	304
Total - Equity & Liab.	33,418	60,333	68,375	78,176	90,632
Net Fixed Assets	6,636	11,422	21,886	25,223	26,415
Gross Fixed Assets	8,731	11,573	24,473	30,973	34,973
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	3,303	4,005	5,086	6,749	9,058
Capital WIP	1,209	3,855	2,500	1,000	500
Investments	16	17	17	17	17
Current Assets	39,912	60,906	60,510	69,733	84,531
Inventories	13,427	17,303	20,764	25,332	30,905
Sundry Debtors	15,179	17,972	20,485	24,602	30,014
Cash & Bank Balances	7,004	19,153	12,883	13,521	17,434
Loans & Advances	21	18	18	18	18
Other Current Assets	4,281	6,460	6,360	6,260	6,160
Current Liab. & Prov.	13,146	12,013	14,038	16,797	20,331
Current Liabilities	10,144	7,984	10,010	12,768	16,302
Provisions & Others	3,003	4,029	4,029	4,029	4,029
Net Current Assets	26,766	48,894	46,472	52,936	64,200
Total - Assets	33,418	60,333	68,375	78,176	90,632

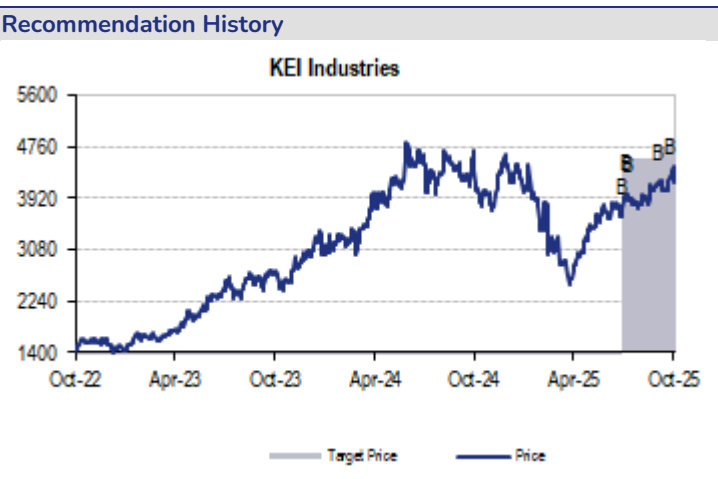
Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	7.2%	7.2%	7.1%	7.0%	7.3%
Asset Turnover (x)	2.6	2.1	1.8	1.9	2.1
Leverage Factor (x)	1.1	1.1	1.0	1.0	1.0
RoE	20.2%	15.6%	13.3%	14.1%	15.4%

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	348.9	605.5	692.1	797.0	929.8
ROIC	23.9%	20.4%	16.5%	16.1%	17.8%
ROE	20.2%	15.6%	13.3%	14.1%	15.4%
Net Debt/Equity (x)	-0.2	-0.3	-0.2	-0.2	-0.2
P/E (x)	64.8	57.3	48.2	39.8	31.4
P/B (x)	12.0	6.9	6.0	5.2	4.5
EV/EBITDA (x)	47.2	38.7	33.4	26.7	20.7
EV/Sales (x)	4.9	3.9	3.3	2.7	2.2
Debtor days	68	67	64	63	63
Inventory days	60	65	65	65	65
Creditor days	51	33	34	36	0

Source: Company, JM Financial

History of Recommendation and Target Price			
Date	Recommendation	Target Price	% Chg.
12-Jul-25	Buy	4,500	
22-Jul-25	Buy	4,500	0.0
23-Jul-25	Buy	4,550	1.1
18-Sep-25	Buy	4,775	4.9
10-Oct-25	Buy	4,900	2.6



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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