PG Electroplast | BUY

A hurdle, not a halt

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A quarter to forget for PGEL, but we reckon it's not as bad. With massive order cancellations resulting from the season failing to rebound, the cut in guidance was inevitable. Further, high channel inventory is an industry-wide issue and not that of PGEL alone, liquidation of which hinges upon upcoming festivities. However, with the revised revenue growth guidance of 17-19%, PGEL is yet likely to outgrow the industry and retain/gain manufacturing market share. It is also quite likely that the stock price correction of 23% (on Friday) and 29% (over last week) prices in a large portion of negatives. We (1) cut our FY26-28E EPS estimates by 13-27%, (2) trim target multiple to 42x (from 47x earlier), and (3) roll forward to Jun'27E (from Mar'27E earlier). Despite this cut, PGEL offers exposure to a Company gaining market share and deepening capabilities; expected to register a revenue/EPS CAGR of 28/31% with and average RoE of 14% over FY25-28E. Target price stands at INR 790. Retain BUY.

- **1Q performance misses estimates:** 1Q revenue at 15bn, rose 14% YoY, 3% lower than estimate. The product business grew 17% YoY, of which, the RAC business grew 15% YoY and the washing machine business grew 36% YoY. EBITDA declined 7% YoY, and stood at INR 1.2bn impacted by slower revenue growth, missing estimate by 13%, while margin contracted 180bps YoY to 8.1%. 1Q PAT at INR 670mn, declined 20% YoY.
- **To outgrow industry and gain/retain manufacturing market share despite cut in guidance:** The management lowered its FY26 guidance following its 1Q performance. Consolidated revenue guidance was lowered to INR 57-58bn (indicating 17-19% YoY growth) vs. INR 63.5bn (30% YoY growth) earlier. Accordingly, PAT guidance also lowered to INR 3-3.1bn (3-7% YoY growth) vs. INR 4bn earlier on the back of negative leverage impacting full-year margins and higher finance costs (to finance unsold inventory). However, it is pertinent to note that with this revised growth as well, PGEL is likely to outgrow the industry and retain/gain contract manufacturing market share.
- **What went wrong and why the sharp cut in guidance?** Through April (+70% YoY) and May (+15% YoY), PGEL saw strong revenue growth. What we understand is that through these months, based on strong hopes of a revival, manufacturing activities continued. But, the lack of any sort of rebound drove cancellations in the order book for the months of June, July, and August, to the tune of 50-70% with brands delaying offtake given high channel inventory. Monsoons spreading across the country left the channel with high inventory, which, in turn indicates that the entire industry was taken by surprise this season, and this is not specific to PGEL.
- **Channel inventory levels currently and visibility hereon:** PGEL indicated that channel inventory stands at ~2mn units and similar inventory is lying with brands. Amber too indicated total unsold inventory of ~3mn units. Correlating this, with commentary from Voltas, we note that the channel currently holds ~2 months of inventory, while Voltas holds 3-4 months of inventory. Blue Star had similar commentary, indicating ~75 days (~2.5 months) of unsold inventory with it. We understand that a significant revival is expected around October/November, as festivities and the second summer kick in. Only when the channel starts seeing sales pick up, will brands supply from inventory they are holding, and that in turn will drive orders and shipments for PGEL.

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	790
Upside/(Downside)	34.2%
Previous Price Target	960
Change	-17.7%

Key Data – PGEL IN	
Current Market Price	INR589
Market cap (bn)	INR166.8/US$1.9
Free Float	55%
Shares in issue (mn)	164.1
Diluted share (mn)	283.1
3-mon avg daily val (mn)	INR2,190.3/US$25.0
52-week range	1,055/414
Sensex/Nifty	79,858/24,363
INR/US$	87.7

Price Performance

%	1M	6M	12M
Absolute	-23.9	-27.8	36.8
Relative*	-21.3	-31.1	36.5

* To the BSE Sensex

Financial Summary (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	27,465	48,695	58,787	81,621	1,01,967
Sales Growth (%)	27.2	77.3	20.7	38.8	24.9
EBITDA	2,618	4,841	5,063	7,686	10,048
EBITDA Margin (%)	9.5	9.9	8.6	9.4	9.9
Adjusted Net Profit	1,349	2,878	3,009	4,841	6,515
Diluted EPS (INR)	5.9	10.2	10.6	17.1	23.0
Diluted EPS Growth (%)	74.1	71.4	4.5	60.9	34.6
ROIC (%)	15.9	19.9	12.5	13.9	16.0
ROE (%)	18.8	14.9	10.1	14.5	16.9
P/E (x)	99.3	57.9	55.4	34.4	25.6
P/B (x)	12.9	5.9	5.3	4.7	4.0
EV/EBITDA (x)	37.6	18.6	19.4	13.2	9.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 08/Aug/2025

Addressing major concerns

We had several discussions with clients post the 1Q results of PGEL. Discussions broadly revolved around (1) The Company's sharp cut in its guidance, especially the FY26 PAT guidance; (2) Whether the cut in capex guidance is anything to worry about?; and (3) Channel inventory, revival and the outlook hereon. We elaborate more on these key discussion points below:

Why the sharp cut in guidance? Especially PAT guidance

- **Change in guidance:** The management changed its FY26 guidance following its 1Q performance. Consolidated revenue guidance was lowered to INR 57-58bn (indicating 17-19% YoY growth) vs. INR 63.5bn (30% YoY growth) earlier. Accordingly, PAT guidance also lowered to INR 3-3.1bn (3-7% YoY growth) vs. INR 4bn earlier.

- **Not too different from peers; order cancellations June onwards necessitated the cut:** The fact that 1Q is a wash-out for the Industry is well known, and accepted by the Street. The consequent impact on full-year performance too does not come as a surprise, and is broadly in line with what has been communicated by other EMS companies and brands. Blue Star for instance indicated a 10% revenue growth for FY26. Through April and May, PGEL saw strong revenue growth, of 70% and 15% YoY respectively. However, starting June, it saw cancellations in its order book for June, July, and August, to the tune of 50-70% with brands delaying offtake given high channel inventory levels. This formed the basis for its guidance cut. It is pertinent to note that, with the guided growth, PGEL will outgrow the broader industry, and is likely to retain/gain manufacturing market share.

With the revised revenue growth guidance of 17-19% growth for FY26, PGEL will outgrow the broader industry, and is likely to retain/gain contract manufacturing market share.

- **High channel inventory across the board indicates the industry was taken by surprise:** PGEL management indicated that channel inventory currently stands at ~2mn units; over and above, which a similar level of inventory is lying unsold with all brands cumulatively. Correlating this with commentary from Voltas, we note that the channel currently holds ~2 months of inventory, while Voltas holds 3-4 months of inventory. Blue Star had similar commentary to share, indicating that it currently holds ~75 days (~2.5 months) of inventory. What we understand is that through April and May, there remained strong hopes of a revival, and hence manufacturing activities continued, but, the lack of any sort of rebound left the channel with such high inventory, which, in turn indicates that the entire industry was taken by surprise this season, and this is not specific to PGEL.

Commentary on high channel inventory across the board indicates that the entire industry was taken by surprise this season, and this is not specific to PGEL.

- **Steep PAT cut inevitable, owing to the follow on impact on EBITDA and finance costs:** While the cut in PAT guidance looks steep, it is how financials will perform naturally in such a situation. Clearly, in a year when revenue growth is lower than expected, EBITDA will take a hit and lower absorption of fixed costs will further impact EBITDA margins. Management indicated a ~120bps contraction in FY26 margins. Further, in anticipation of a strong season, and as per indications from clients, the Company had commenced production, which now, upon cancellation of orders, lies as inventory (primarily components which would go into manufacturing the full AC). This is clearly visible from the increase in inventory to INR 13.6bn vs. INR 3.7bn YoY. Sales having come to a standstill, and suppliers required to be paid, has necessitated factoring of receivables, causing an incremental burden on interest expenses, and further driving down PAT.

Why the cut in capex guidance, any change in the macro story?

- **A decision to protect cash flows:** With FY26 growth expected to be lower than expectations; PGEL is well positioned w.r.t. utilization levels. Incrementally, cash flows are any way expected to be under pressure, with inventory levels high. On the back of this, it decided to cut its capex guidance to INR 7-7.5bn, vs. INR 8-9bn planned earlier, a cut of INR ~1.5bn. Here, too it has been fairly clear that the delay will only be on spends that have a lower lead time, for instance, machinery, and not on spends like land and building wherein lead times are relatively higher. Hence, as more clarity comes in, it can efficiently augment its capacities.

- **Plant simply deferred to next year, and not entirely cancelled:** Further, it is pertinent to note that capex plans have simply been deferred to next year and not entirely cancelled.

Channel inventory, revival and the outlook hereon

- **Channel inventory high:** PGEL Management indicated that channel inventory currently stands at ~2mn units; over and above which a similar level of inventory is lying with all brands cumulatively. Correlating this with commentary from Voltas, we note that the channel currently holds ~2 months of inventory, while Voltas holds 3-4 months of inventory. Blue Star had similar commentary to share, indicating that it currently holds ~75 days (~2.5 months) of inventory. Amber, PGEL's peer also indicated that total unsold inventory is currently around 2.5-3mn units, vs. normal levels of ~1.5mn.
- **Movement slow owing to BEE norm changes as well:** New BEE norms kick in w.e.f. Jan 01, 2026. Essentially, post this, the current star rating will not remain valid and a 5 star today AC will then be equivalent to a 4 star and so on. Inventory lying in the channel, however, can be sold for 6 months post implementation of these norms. As a result, given that high inventory already exists in the channel, brands have slowed/cancelled the production of ACs with the current star rating to avoid redundancy once new norms are implemented.
- **Hopes pegged on the festive season:** PGEL management indicated that a significant revival is only expected around October/November, as the festive season and the year's second summer kicks in. While this seems slightly far away, it is not surprising given the current inventory levels. Only when channel starts seeing sales pick up, will brands supply to the channel from inventory they are holding, and that is when PGEL will see a meaningful increase in shipments.

Key highlights from concall

Q1FY26 Performance

- **Growth in washing machines outpaces ACs:** AC business grew 15% YoY to INR10bn and accounted for around 68% of the total revenue. While revenue from washing machines rose 36% YoY
- **Outlook marred by order cancellations:** Management indicated that it saw several cancellations in June, July, and August, to the tune of 50-70% in the 2Q client order book. Brands and manufacturers are both slowing down production given high channel inventory levels. April saw 70% YoY growth, while May witnessed 15% YoY growth.
- **The need for factoring receivables drove an increase in order book:** Due to the abrupt cancellation of orders in the month of June, company was left with high inventory of components to be used in the manufacturing of ACs. This is visible from the increase in inventories to INR 13.6bn vs. INR 3.7bn YoY. However, sales took a halt, but suppliers had to be paid, hence, the Company resorted to factoring its receivables to manage its cash flows. This led to an additional outflow of almost INR 200mn of financing costs.
- **Margins impacted:** Overheads remained high during the quarter as several fixed costs were already incurred/committed in anticipation of a strong quarter. However, with sales taking a hit, negative operating leverage impacted the quarter's margins.

FY26 Guidance

- Consolidated revenue guidance lowered to INR 57-58bn (17-19% YoY growth) vs. INR 63.5bn (30% YoY growth) earlier. Accordingly, PAT guidance also lowered to INR 3-3.1bn (3-7% YoY growth) vs. INR 4bn earlier.
- **Revenue:** The cut in revenue guidance is owing to a weak 1Q and high channel inventory which indicates meaningful traction will only be seen starting October/November. Channel inventory currently at 2-2.5mn units, over and above a similar level of inventory lying with all the brands cumulatively. This, on a normalized level should have been 1-1.5mn. Internal revenue target of FY28E revenue INR 90bn+ unchanged.
- **EBITDA:** EBITDA margin likely to decline YoY. However, management remains confident to be able to curtail the decline to 125-150bps YoY.
- **PAT:** Over and above the impact of a weak revenue performance and negative leverage, an additional expense of INR 500mn likely to be incurred to factor receivables to maintain cash flows. This is expected to further impact PAT.
- **Capex:** Have pushed over some capex plans to next year. Revised capex guidance now stands at INR 7-7.5bn, vs. INR 8-9bn planned earlier. Of this, INR 4-4.5bn is for the existing products, and the balance INR 3bn is for the launch of refrigerator capacities (revenues expected to start from FY27, large contribution from FY28). Again this delay in capex has more to do with preserving cash flows and deferring the purchase of plant and machinery while investments on higher gestation initiatives like land & building will continue. Till now PGEL has incurred a capex of INR 1.2bn for the construction of buildings in FY26. Expect an asset turn of 4.5-5x on the investments being made full capacity utilization, which is usually attainable in 1.5-2 years. This capex includes (1) Facility for plastic components and coolers in Rajasthan; (2) Campus in Greater Noida for washing machines; (3) Refrigerator campus in South India; and (4) Campus in West India with expanded AC capacity in Supa

Exhibit 1. PGEL – FY26 guidance

	FY25 Guidance	FY25 Actual	FY26 Guidance	FY26 Revised Guidance (lower end)	FY26 Revised Guidance (higher end)
Revenue	45,500	48,695	63,450	57,000	58,000
YoY	65.7%	77.3%	30.3%	17.1%	19.1%
PAT	2,800	2,878	4,050	3,000	3,100
YoY	107.6%	113.3%	40.7%	4.2%	7.7%

Source: Company, JM Financial

Current channel situation and discussion with clients

- **Pricing not a focus area:** Pricing is not the focus of discussions currently. With channel choc-a-block with inventory, price cuts will not really help. Brands have seen a 20-25% decline in sales to the channel in 1Q, while, at the same time contract manufacturers have done relatively better.
- **Channel inventory high:** Will get more clarity on margins as negotiations for the new season commences. Currently focus is on clearing the existing inventory. High channel inventory indicates meaningful traction will only be seen starting October/November. Channel inventory currently at 2-2.5mn units, over and above a similar level of inventory lying with all the brands cumulatively.
- **PGEL's situation:** PGEL has no finished goods inventory currently. However, it currently holds components required to build the finished goods currently lying in hand.
- **BEE rating change:** BEE rating change not a risk here, given the components are fungible. Hence, for new orders which may come in before, or even after the BEE norms kick in, no/minimal new investments will have to be made.

Delay in compressor manufacturing

- **Chinese Government approval delayed:** Management indicated that it is seeing some delay as its technology partner is facing clearance issues from the Chinese Government. Rest assured, plans not called off. Expect to have more clarity in the next 1-2 months.
- **Capex incurred:** Till now PGEL has incurred a capex of INR 1.2bn for the construction of the building, which has higher a lead time. Remaining capex will be roll forward to the next year. Currently, the plan is to use the building for other purposes, but as soon as negotiations are closes, will order machinery and within 6 months installation of the same should begin.

Other takeaways:

- **Refrigerators**: Narrowed down on a land parcel in South India. Should take 12-14 months to commence mass production. Expect revenue to start kicking in starting FY27, and further ramp up by FY28. Currently, in discussions with clients which have an overlap with the exiting AC and washing machine business.
- **Washing Machine**: Expanding capacities to 2mn by end of FY26 and expect washing machines to register a growth of 40-45% in FY26.

Exhibit 2. PG Electroplast - 1QFY26 – results review

(INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	1QFY26	1QFY26E
Net Revenue	6,776	4,604	5,319	10,766	27,465	13,207	6,713	9,677	19,099	48,695	15,039	15,452
YoY	27%	40%	16%	30%	28%	95%	46%	82%	77%	77%	14%	17%
Raw Material Costs	(5,551)	(3,653)	(4,238)	(8,621)	(22,063)	(10,819)	(5,236)	(7,593)	(15,275)	(38,923)	(12,387)	(12,238)
Gross Profit	1,225	951	1,081	2,145	5,402	2,387	1,477	2,084	3,824	9,773	2,651	3,214
Gross Profit margin %	18.1%	20.7%	20.3%	19.9%	19.7%	18.1%	22.0%	21.5%	20.0%	20.1%	17.6%	20.8%
Employee Cost	(356)	(362)	(395)	(550)	(1,663)	(621)	(506)	(667)	(936)	(2,728)	(786)	(990)
% of sales	5.3%	7.9%	7.4%	5.1%	6.1%	4.7%	7.5%	6.9%	4.9%	5.6%	5.2%	6.4%
Other expenses	(211)	(214)	(266)	(430)	(1,122)	(461)	(408)	(566)	(770)	(2,204)	(652)	(825)
% of sales	3.1%	4.6%	5.0%	4.0%	4.1%	3.5%	6.1%	5.8%	4.0%	4.5%	4.3%	5.3%
EBITDA	658	376	420	1,165	2,618	1,306	564	852	2,119	4,841	1,212	1,399
YoY	89%	96%	18%	54%	58%	98%	50%	103%	82%	85%	-7%	7%
EBITDA margin%	9.7%	8.2%	7.9%	10.8%	9.5%	9.9%	8.4%	8.8%	11.1%	9.9%	8.1%	9.1%
Total D&A Expense	(107)	(111)	(113)	(136)	(466)	(151)	(154)	(164)	(187)	(656)	(208)	(190)
EBIT	551	265	307	1,029	2,152	1,156	410	688	1,932	4,184	1,004	1,209
YoY	103%	140%	14%	58%	65%	110%	54%	124%	88%	94%	-13%	5%
EBIT margin%	8.1%	5.8%	5.8%	9.6%	7.8%	8.7%	6.1%	7.1%	10.1%	8.6%	6.7%	7.8%
Other Income	13	33	50	34	130	39	41	72	199	351	182	150
Finance Costs	(140)	(122)	(97)	(158)	(517)	(183)	(150)	(224)	(331)	(889)	(339)	(320)
PBT	424	176	260	905	1,765	1,011	301	536	1,799	3,647	847	1,039
YoY	106%	64%	49%	85%	81%	139%	71%	106%	99%	107%	-16%	3%
Income Tax Expense	(86)	(52)	(68)	(189)	(395)	(162)	(106)	(134)	(335)	(738)	(180)	(187)
Rate %	20.2%	29.6%	26.0%	20.9%	22.4%	16.0%	35.2%	25.1%	18.6%	20.2%	21.2%	18.0%
Share of JV	-	(0)	(1)	(20)	(21)	(12)	(1)	(6)	(12)	(31)	3	(10)
Net Profit	338	124	192	696	1,349	837	193	395	1,452	2,878	670	842
Margins	5.0%	2.7%	3.6%	6.5%	4.9%	6.3%	2.9%	4.1%	7.6%	5.9%	4.5%	5.4%
YoY	106.1%	72.6%	39.6%	73.2%	74.1%	27%	7%	106%	109%	113.3%	-20%	1%

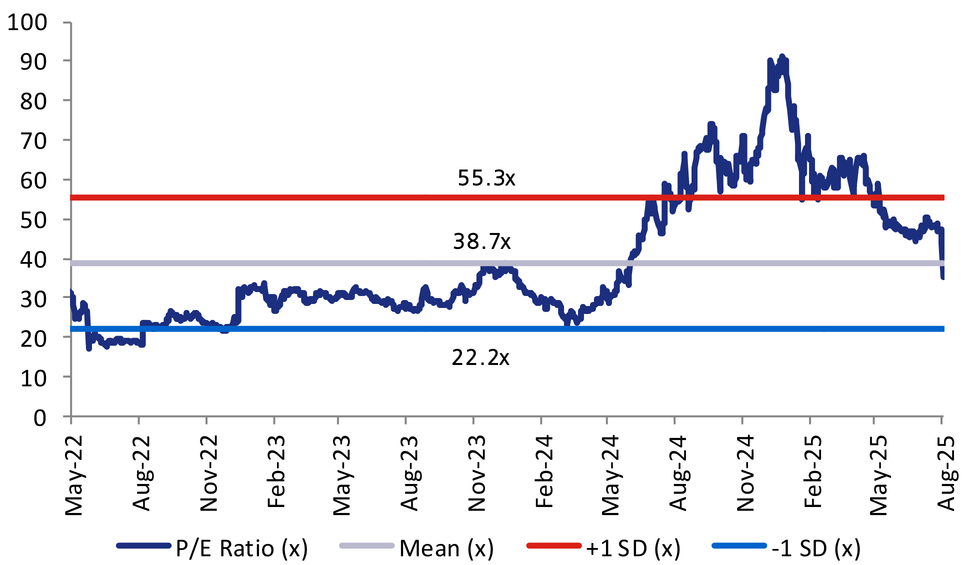
Source: Company, JM Financial

Exhibit 3. PG Electroplast 1QFY26 – EPS Change table

Year End Mar (INR mn)	FY26E	FY27E	FY28E
Revenues			
Old	64,082	82,569	1,01,204
New	58,787	81,621	1,01,967
Change	-8.3%	-1.1%	0.8%
EBITDA			
Old	6,289	8,187	10,347
New	5,063	7,686	10,048
Change	-19.5%	-6.1%	-2.9%
EBITDA margins			
Old	9.8%	9.9%	10.2%
New	8.6%	9.4%	9.9%
Change	-120	-50	-37
PAT			
Old	4,142	5,740	7,487
New	3,009	4,841	6,515
Change	-27.4%	-15.7%	-13.0%
EPS			
Old	14.6	20.3	26.4
New	10.6	17.1	23.0
Change	-27.4%	-15.7%	-13.0%

Source: Company, JM Financial

Exhibit 4. PG Electroplast 1-yr fwd PE Chart



Source: Company, Bloomberg

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	27,465	48,695	58,787	81,621	1,01,967
Sales Growth	27.2%	77.3%	20.7%	38.8%	24.9%
Other Operating Income	0	0	0	0	0
Total Revenue	**27,465**	**48,695**	**58,787**	**81,621**	**1,01,967**
Cost of Goods Sold/Op. Exp	22,063	38,923	47,618	65,705	81,574
Personnel Cost	1,663	2,728	3,192	4,150	5,063
Other Expenses	1,122	2,204	2,914	4,080	5,283
EBITDA	**2,618**	**4,841**	**5,063**	**7,686**	**10,048**
EBITDA Margin	9.5%	9.9%	8.6%	9.4%	9.9%
EBITDA Growth	48.6%	84.9%	4.6%	51.8%	30.7%
Depn. & Amort.	466	656	843	1,351	1,626
EBIT	2,152	4,184	4,220	6,335	8,422
Other Income	-50	351	456	342	257
Finance Cost	300	889	1,016	789	772
PBT before Excep. & Forex	1,802	3,647	3,660	5,888	7,907
Excep. & Forex Inc./Loss(-)	-37	0	0	0	0
PBT	1,765	3,647	3,660	5,888	7,907
Taxes	394	738	732	1,178	1,581
Extraordinary Inc./Loss(-)	-21	-31	81	131	189
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	1,349	2,878	3,009	4,841	6,515
Adjusted Net Profit	**1,349**	**2,878**	**3,009**	**4,841**	**6,515**
Net Margin	4.9%	5.9%	5.1%	5.9%	6.4%
Diluted Share Cap. (mn)	227.4	283.1	283.1	283.1	283.1
Diluted EPS (INR)	**5.9**	**10.2**	**10.6**	**17.1**	**23.0**
Diluted EPS Growth	74.1%	71.4%	4.5%	60.9%	34.6%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	10,379	28,282	31,291	35,566	41,514
Share Capital	260	283	283	283	283
Reserves & Surplus	10,119	27,999	31,008	35,283	41,231
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	3,606	3,019	3,519	5,519	4,019
Def. Tax Liab. / Assets (-)	295	369	295	295	295
Total - Equity & Liab.	**14,279**	**31,670**	**35,105**	**41,380**	**45,828**
Net Fixed Assets	7,500	12,100	18,723	25,372	26,746
Gross Fixed Assets	8,344	13,518	21,018	29,018	32,018
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	1,498	2,154	2,931	4,182	5,708
Capital WIP	654	736	636	536	436
Investments	55	83	57	58	59
Current Assets	15,524	39,025	39,804	46,135	55,092
Inventories	5,345	13,162	19,323	23,196	27,358
Sundry Debtors	5,530	9,804	11,836	15,611	19,503
Cash & Bank Balances	1,824	9,797	2,128	810	1,713
Loans & Advances	255	0	255	255	255
Other Current Assets	2,570	6,263	6,263	6,263	6,263
Current Liab. & Prov.	8,799	19,538	23,480	30,186	36,069
Current Liabilities	7,286	14,632	18,493	25,199	31,083
Provisions & Others	1,512	4,906	4,986	4,986	4,986
Net Current Assets	6,726	19,487	16,325	15,950	19,023
Total – Assets	**14,281**	**31,670**	**35,105**	**41,380**	**45,828**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,744	3,616	3,741	6,019	8,096
Depn. & Amort.	466	656	843	1,351	1,626
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	-619	-4,864	-4,426	-943	-2,170
Others	13	74	-74	0	0
Taxes Paid	-394	-738	-732	-1,178	-1,581
Operating Cash Flow	**1,209**	**-1,256**	**-648**	**5,249**	**5,970**
Capex	-3,148	-5,256	-7,466	-8,000	-3,000
Free Cash Flow	-1,939	-6,512	-8,114	-2,751	2,970
Inc (-) / Dec in Investments	-34	-28	26	-1	-1
Others	-250	-6	0	0	0
Investing Cash Flow	**-3,432**	**-5,289**	**-7,440**	**-8,001**	**-3,001**
Inc / Dec (-) in Capital	5,073	15,094	0	0	0
Dividend + Tax thereon	0	-71	0	-566	-566
Inc / Dec (-) in Loans	-1,422	-506	420	2,000	-1,500
Others	0	0	0	0	0
Financing Cash Flow	**3,650**	**14,517**	**420**	**1,434**	**-2,066**
Inc / Dec (-) in Cash	**1,428**	**7,973**	**-7,669**	**-1,318**	**903**
Opening Cash Balance	396	1,824	9,797	2,128	810
Closing Cash Balance	1,824	9,797	2,128	810	1,713

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	4.9%	5.9%	5.1%	5.9%	6.4%
Asset Turnover (x)	2.2	2.0	1.7	2.1	2.3
Leverage Factor (x)	1.8	1.2	1.2	1.2	1.2
RoE	18.8%	14.9%	10.1%	14.5%	16.9%

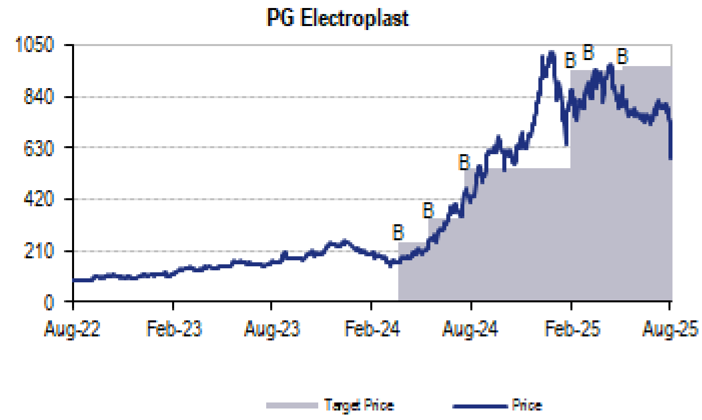
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	45.6	99.9	110.5	125.6	146.6
ROIC	15.9%	19.9%	12.5%	13.9%	16.0%
ROE	18.8%	14.9%	10.1%	14.5%	16.9%
Net Debt/Equity (x)	0.2	-0.2	0.0	0.1	0.1
P/E (x)	99.3	57.9	55.4	34.4	25.6
P/B (x)	12.9	5.9	5.3	4.7	4.0
EV/EBITDA (x)	37.6	18.6	19.4	13.2	9.8
EV/Sales (x)	3.6	1.8	1.7	1.2	1.0
Debtor days	73	73	73	70	70
Inventory days	71	99	120	104	98
Creditor days	95	114	120	120	120

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
26-Mar-24	Buy	243	
23-May-24	Buy	340	39.9
25-Jul-24	Buy	545	60.3
7-Feb-25	Buy	950	74.3
10-Mar-25	Buy	950	0.0
12-May-25	Buy	960	1.1

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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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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