24 July 2026
1QFY27 Result Update | Sector: Capital Goods

CG Power and Industrial Solutions

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	CGPOWER IN
Equity Shares (m)	1575
M.Cap.(INRb)/(USDb)	1366.6 / 14.2
52-Week Range (INR)	981 / 526
1, 6, 12 Rel. Per (%)	-5/63/33
12M Avg Val (INR M)	2902

Financials Snapshot (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Net Sales	152.9	188.5	241.2
EBITDA	21.0	28.5	38.4
PAT	15.5	20.7	26.2
EPS (INR)	9.9	13.2	16.7
GR. (%)	25.4	33.3	26.6
BV/Sh (INR)	58.8	69.7	83.6
Ratios			
ROE (%)	18.0	20.5	21.7
RoCE (%)	18.1	20.5	21.8
Payout (%)	17.1	16.7	17.1
Valuations			
P/E (X)	87.8	65.8	52.0
P/BV (X)	14.7	12.4	10.4
EV/EBITDA (X)	64.7	47.4	34.4
Div Yield (%)	0.2	0.3	0.3

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	56.4	56.4	58.1
DII	18.3	18.1	14.2
FII	12.0	12.0	12.7
Others	13.4	13.5	15.0

FII includes depository receipts

CMP: INR866 TP: INR975 (+13%) Buy

Weaker-than-expected performance

CG Power's 1QFY27 result was below our estimates. Margin performance remained strong for the power systems segment but was impacted by one-time provisions for the industrial segment and continued high losses for the semiconductor segment. The pace of inflows has moderated, and consolidated order inflows were flat YoY at INR52b for the quarter. The overall order book stood at INR189b, up 45% YoY. We expect inflows, particularly for the power systems segment, to start ramping up from next quarter. Going forward, we expect CG Power to benefit from 1) capacity expansion at power systems for transformers and switchgear & circuit breakers, 2) price hikes and gradual demand recovery in the industrial segment, and 3) reduction of losses at CG-SEMI by FY28. We cut our estimates by 3%/4% for FY27/28 to bake in 1QFY27 performance. We reiterate our BUY rating on the stock with an SoTP-based two-year forward TP of INR975 (vs. INR990 earlier).

Results below our estimates

CG Power's 1Q result was below our estimates mainly due to lower-than-expected execution in the Power systems division, lower-than-expected margins in the Industrial systems division, and higher-than-expected losses in the semiconductor division. Consolidated revenue grew 14% YoY to INR32.8b. 5% below our estimate. Gross margin expanded 60bp YoY to 30.8%, broadly in line with our estimate of 31.0%. However, higher-than-expected other expenses during the quarter led to EBITDA margin missing our estimates. Absolute EBITDA grew 4% YoY to INR4b (13% miss), while margin contracted 110bp YoY to 12.1% (vs. our estimate of 13.2%). While revenues and margins were lower than our expectation, higher-than-expected other income softened the impact on PAT. PAT grew 16% YoY to INR3b (7% below our estimate).

Power systems' execution to accelerate, led by new capacities

The segment revenue grew 31% YoY to INR14b, broadly in line, while EBIT margin expanded 260bp YoY to 23.2% (vs. our est. of 22.2%), led by strong execution and operating leverage. Order inflows stood at INR31.1b (-11% YoY), taking the order book to INR144.3b (+60% YoY). The YoY decline in inflows was largely due to the high base of a ~INR6.5b PGCIL order in 1QFY26. Excluding this, order inflows grew 9% YoY. The bid pipeline remains healthy across domestic T&D, utilities, renewables, data centers, and exports, with no pricing pressure despite industry-wide capacity additions. Transformer capacity currently stands at ~75,000 MVA, with an additional 45,000 MVA to be commissioned in phases over 12-14 months (10,000 MVA, 30,000 MVA, and the balance thereafter). Given the healthy order pipeline and expanding manufacturing footprint, we expect order inflow/revenue to clock a 12%/32% CAGR over FY26-29, while baking in EBIT margins of 23%/22%/21% over FY27-29E.

Teena Virmani - Research Analyst (Teena.Virmani@MotilalOswal.com)
Prerit Jain - Research Analyst (Prerit.Jain@MotilalOswal.com)

Industrial systems’ margins affected by a one-off provision

The segment revenue grew 6% YoY to INR17.9b, with double-digit growth in the Motors business. EBIT margin contracted 260bp YoY to 7.6%, primarily due to a one-off provision of ~INR200m in the railways business, while pre-operating costs at GG Tronics and breakeven profitability in the Consumer Durables business further weighed on margins. Excluding the one-off provision, EBIT margin stood at ~8.7%. Motors continued to experience healthy demand across cement, metals & mining, and OEM segments. The company successfully implemented an additional 5% price hike in 1QFY27, over and above the 17% increase taken last year, with healthy customer acceptance. Going forward, growth is expected to be supported by further pricing actions, continued R&D investments in the IE3, IE4, and IE5 motor portfolio over the next 12 months, and commencement of GG Tronics' Kavach deliveries from 2QFY27 following completion of validation trials and regulatory approvals. We model an order inflow/revenue CAGR of 12%/8% over FY26-29E for the segment, with a gradual EBIT margin improvement to 8%/9%/10.5% over FY27/FY28/FY29E.

Investing in building a semiconductor ecosystem

CG Power continues to build its semiconductor ecosystem, with commercial production already underway at the Phase-1 OSAT facility in Sanand, and Phase-2 remains on track for commissioning by the end of FY27. Near-term profitability will continue to remain under pressure due to continued investments in talent, technology, and ecosystem development, although higher OSAT utilization and customer additions should gradually improve operating leverage. Axiro continues to scale its design business, delivering healthy double-digit revenue growth and a strong order pipeline. The company is reinvesting into expanding its portfolio beyond RF and Satcom into adjacent areas such as power electronics. We expect the semiconductor business to achieve EBITDA breakeven from FY28 as operating leverage improves with scale-up.

Expanding the EHV switchgear manufacturing footprint

During the quarter, the company commissioned Phase-II of its EHV switchgear facility in Nashik, increasing EHV circuit breaker capacity by ~80% from 9,000 to 16,200 units annually, with manufacturing capability for 33-245 kV breakers supported by advanced high-voltage testing infrastructure. Alongside the ongoing transformer capacity expansion, these investments will strengthen the company's ability to capitalize on growing domestic and export power transmission opportunities.

Financial outlook

We marginally cut our estimates by 3%/4% for FY27/FY28 to bake in CG Power’s 1Q performance. We expect overall order inflows to register an 11% CAGR over FY26-29E. We model a revenue/EBITDA/PAT CAGR of 25%/33%/28% over FY26-29E, with EBITDA margin of 13.7%/15.1%/15.9% for FY27/FY28/FY29E.

Valuation and view

The stock currently trades at 87.8x/65.8x/52.0 P/E on FY27E/FY28E/FY29E EPS. **We reiterate our BUY rating with a revised TP of INR975 (vs. INR990 earlier).** We ascribe a 58x multiple for the power systems business (baking in the upcoming large capacity), a 55x multiple to industrial systems (10% discount to ABB), and value to the OSAT business via DCF to capture the benefits that will start accruing from FY28.

Key risks and concerns

Key risks would include: 1) a slowdown in T&D capex, 2) an increase in commodity prices, 3) weak motor demand, and 4) limited OSAT experience.

Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net sales	**28,781**	**29,228**	**31,754**	**34,418**	**32,808**	**36,309**	**38,789**	**45,043**	**1,24,18**	**1,52,94**	**34,578**	**-5**
YoY Change (%)	29.2	21.1	26.2	25.0	14.0	24.2	22.2	30.9	25.3	23.2	20.1	
EBITDA	**3,812**	**3,767**	**3,973**	**4,700**	**3,973**	**4,984**	**5,416**	**6,610**	**16,253**	**20,983**	**4,561**	**-13**
YoY Change (%)	16.5	27.8	20.0	35.5	4.2	32.3	36.3	40.6	24.6	29.1	19.7	
Margins (%)	13.2	12.9	12.5	13.7	12.1	13.7	14.0	14.7	13.1	13.7	13.2	
Depreciation	435	521	507	494	545	663	697	814	1,956	2,718	647	-16
Interest	22	27	35	38	35	38	38	41	122	152	38	-8
Other Income	283	661	764	735	836	678	610	610	2,443	2,735	656	27
PBT before EO expense	**3,638**	**3,881**	**4,195**	**4,904**	**4,229**	**4,961**	**5,291**	**6,366**	**16,618**	**20,847**	**4,532**	**-7**
Extra-Ord expense	0	0	356	-20	0	0	0	0	336	0	0	
PBT	**3,638**	**3,881**	**3,840**	**4,924**	**4,229**	**4,961**	**5,291**	**6,366**	**16,282**	**20,847**	**4,532**	**-7**
Tax	969	1,036	1,001	1,289	1,146	1,282	1,368	1,592	4,295	5,388	1,171	-2
Rate (%)	26.6	26.7	26.1	26.2	27.1	25.8	25.8	25.0	26.4	25.8	25.8	
MI & P/L of Asso. Cos.	-24	-23	-9	-20	-47	-21	-21	6	-76	-83	-21	
Reported PAT	**2,692**	**2,867**	**2,848**	**3,655**	**3,130**	**3,700**	**3,945**	**4,768**	**12,063**	**15,543**	**3,382**	**-7**
Adj PAT	**2,692**	**2,867**	**3,204**	**3,635**	**3,130**	**3,700**	**3,945**	**4,768**	**12,399**	**15,543**	**3,382**	**-7**
YoY Change (%)	11.6	29.8	33.2	33.7	16.3	29.0	23.1	31.2	27.2	25.4	25.6	
Margins (%)	9.4	9.8	10.1	10.6	9.5	10.2	10.2	10.6	10.0	10.2	9.8	

Segment revenue	FY26				FY27E				FY26	FY27E	FY27E	Est
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Power Systems	10,701	12,545	13,263	14,873	13,982	17,563	18,568	23,681	51,382	73,794	15,196	**-8**
YoY%	*42.6*	*48.3*	*44.1*	*49.7*	*30.7*	*40.0*	*40.0*	*59.2*	*46.4*	*43.6*	*42.0*	
Industrial Systems	16,915	15,333	17,308	17,913	17,895	16,867	18,174	18,770	67,470	71,706	17,761	**1**
YoY%	*14.9*	*-1.8*	*8.8*	*2.3*	*5.8*	*10.0*	*5.0*	*4.8*	*5.8*	*6.3*	*5.0*	
Semiconductor	1,085	1,279	1,108	1,556	940	1,790	1,939	2,369	5,028	7,039	1,519	**-38**
YoY%					*-13.3*	*40.0*	*75.0*	*52.3*		*40.0*	*40.0*	
Others	85	74	91	93	102	89	109	111	342	411	102	**0**
YoY%	*59.8*	*16.6*	*69.5*	*-7.7*	*20.1*	*20.0*	*20.0*	*19.9*	*26.5*	*20.0*	*20.0*	
Total	**28,786**	**29,232**	**31,770**	**34,435**	**32,920**	**36,309**	**38,789**	**44,931**	**1,24,22**	**1,52,94**	**34,578**	**-5**
YoY%	*29.2*	*21.1*	*26.2*	*25.0*	*14.4*	*24.2*	*22.1*	*30.5*	*25.3*	*23.1*	*20.1*	
Less: Inter-Segment Revenue	6	4	16	17	112	0	0	-112	43	0	0	
Total income from	**28,781**	**29,228**	**31,754**	**34,418**	**32,808**	**36,309**	**38,789**	**45,043**	**1,24,18**	**1,52,94**	**34,578**	**-5**
YoY%	*29.2*	*21.1*	*26.2*	*25.0*	*14.0*	*24.2*	*22.2*	*30.9*	*25.3*	*23.2*	*20.1*	

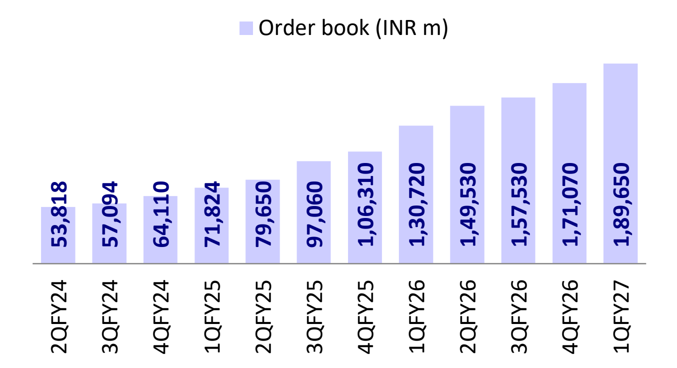
EBIT	FY26				FY27E				FY26	FY27E	FY27E	Est
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Power Systems	2,253	2,597	2,835	3,543	3,241	4,039	4,271	5,422	11,227	16,973	3,343	**-3**
Margin %	*21.1*	*20.7*	*21.4*	*23.8*	*23.2*	*23.0*	*23.0*	*22.9*	*21.9*	*23.0*	*22.0*	
Industrial Systems	1,721	1,367	1,562	1,604	1,363	1,349	1,454	1,570	6,253	5,736	1,599	**-15**
Margin %	*10.2*	*8.9*	*9.0*	*9.0*	*7.6*	*8.0*	*8.0*	*8.4*	*9.3*	*8.0*	*9.0*	
Semiconductor	-87	-217	-400	-374	-500	-322	-330	-326	-1,079	-1,478	-304	**65**
Margin %												
Others	7	16	18	22	30	9	11	25	62	74	10	**194**
Margin %	*7.8*	*21.1*	*19.8*	*23.5*	*29.4*	*10.0*	*10.0*	*22.2*	*18.1*	*18.1*	*10.0*	
Total	**3,894**	**3,762**	**4,014**	**4,794**	**4,134**	**5,075**	**5,406**	**6,690**	**16,464**	**21,305**	**4,648**	**-11**
Finance costs	22	27	35	38	35	38	38	41	122	152	38	-8
Other un-allocable	234	-146	-216	-148	-130	76	76	283	-276	306	78	-267
Exceptional items (net)	0	0	-356	0	0	0	0	0	-356	0	0	
PBT	**3,638**	**3,881**	**3,840**	**4,904**	**4,229**	**4,961**	**5,291**	**6,366**	**16,262**	**20,847**	**4,532**	**-7**

Key highlights from the management commentary

- **Power systems:** Management remained constructive on the Power Systems business, indicating that the current wave of industry capacity additions is still insufficient to meet the growing domestic and global demand. The order pipeline has nearly doubled YoY, and the company continues to see healthy opportunities across utilities as well as newer applications such as data centres, supporting confidence in sustained order inflows and pricing discipline.
- **Industrial business:** Management expects the Motors business to continue delivering high-teen growth, supported by healthy demand across industrial applications. Pricing actions remain a continuous exercise, with periodic revisions being undertaken to offset raw material inflation. Healthy momentum was seen across cement, metals & mining, and the OEM segment for the motors business.
- **Semiconductor:** The company commenced commercial production at its facility in Sanand on 4 Jul'26. The company continues to strengthen its semiconductor initiatives through its CG Semi subsidiary and remains focused on design-led opportunities, particularly in RF and SATCOM applications. Management indicated that the current priority is to establish capabilities in these segments before expanding into broader semiconductor product areas, while continuing to evaluate opportunities arising from India's semiconductor ecosystem.
- **Switchgear expansion:** The company is expanding its Extra High Voltage (EHV) switchgear manufacturing capabilities through the commissioning of the second manufacturing unit at Nashik. The expansion will increase EHV circuit breaker manufacturing capacity by ~80%, covering products from 33kV to 800kV.
- **Data centres:** Management indicated that data centres are emerging as a meaningful growth opportunity within the Power Systems business, with customer enquiries and order pipelines continuing to strengthen. While execution of initial data centre orders is yet to begin, the company expects deliveries to commence as projects progress and sees this segment becoming an important contributor alongside traditional T&D, utilities, oil & gas and renewable energy customers.
- **Global opportunities:** Management expects overseas growth to remain well diversified across the US, Europe, and the MENA region, rather than relying on a single geography. The company is pursuing a balanced go-to-market strategy across these regions, with exports expected to benefit from growing investments in power infrastructure and data centre-related opportunities globally.

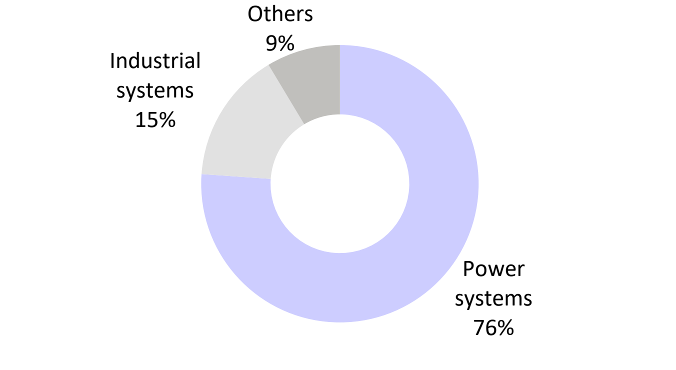
Key Exhibits

Exhibit 1: Order book increased 45% YoY (INR m)



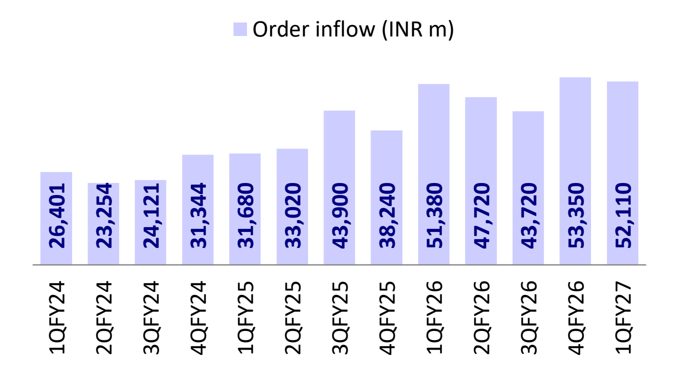
Source: Company, MOFSL

Exhibit 2: Segmental breakup of INR190b order book



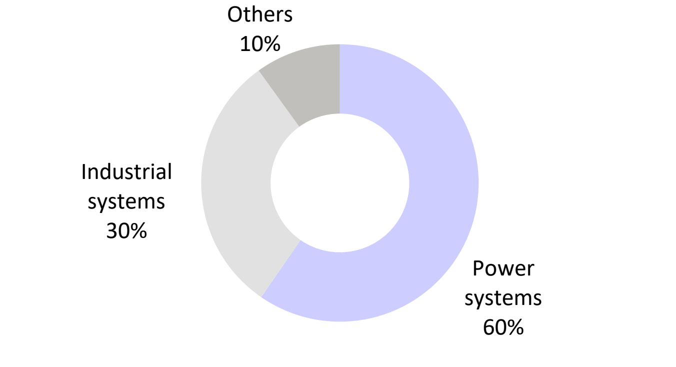
Source: Company, MOFSL

Exhibit 3: Order inflow growth remained flat YoY (INR m)



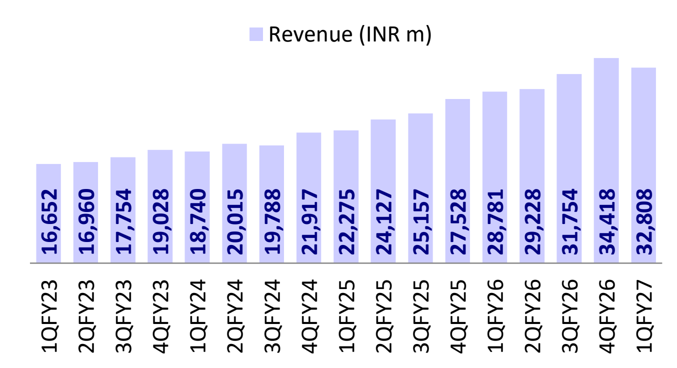
Source: Company, MOFSL

Exhibit 4: 1QFY27 order inflow stood at INR52b



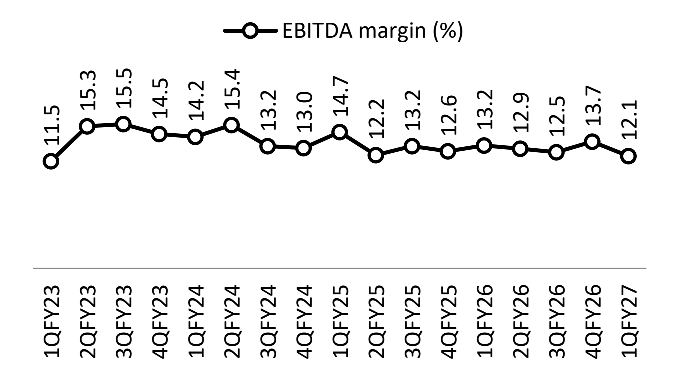
Source: Company, MOFSL

Exhibit 5: Revenue increased 14% YoY (INR m)



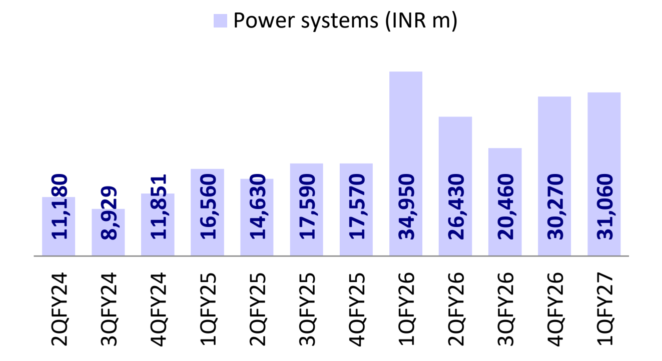
Source: Company, MOFSL

Exhibit 6: EBITDA margin contracted 110bp YoY



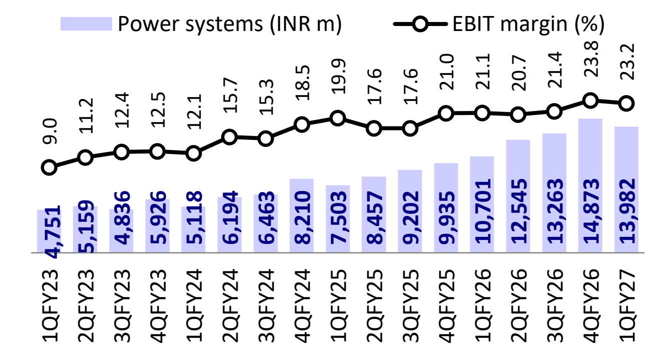
Source: Company, MOFSL

Exhibit 7: Power systems' order inflow declined 11% YoY on a high base (INR m)



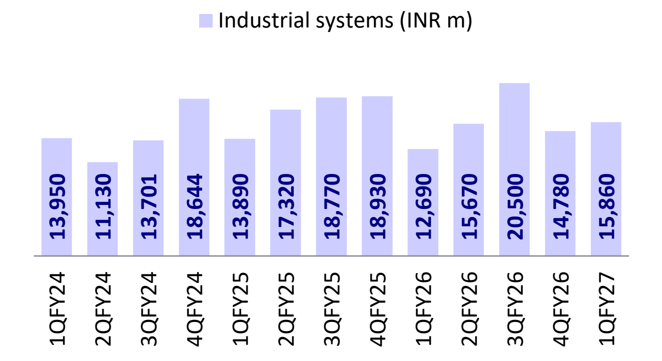
Source: Company, MOFSL

Exhibit 8: Power systems' segment revenue grew 31% YoY, while margin expanded 210bp YoY



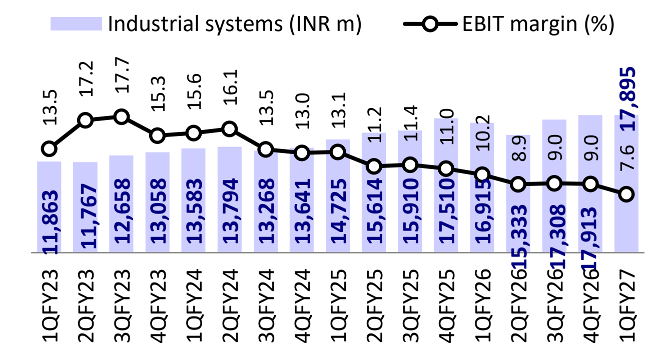
Source: Company, MOFSL

Exhibit 9: Industrial systems' order inflow increased 25% YoY (INR m)



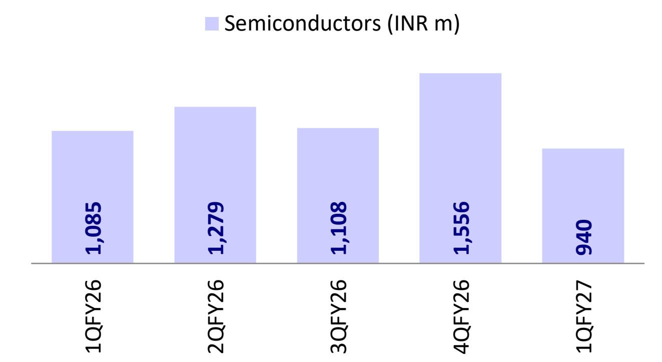
Source: Company, MOFSL

Exhibit 10: Industrial systems' revenue grew 6% YoY, while margin contracted 260bp YoY



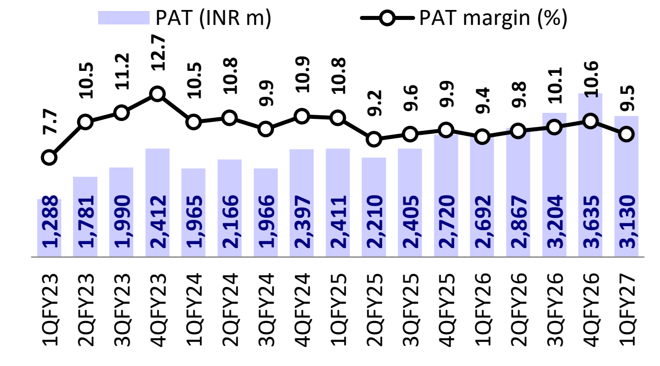
Source: Company, MOFSL

Exhibit 11: Semiconductor revenue trajectory (INR m)



Source: Company, MOFSL

Exhibit 12: Consolidated PAT grew 16% YoY (INR m)



Source: Company, MOFSL

Exhibit 13: We cut our estimates slightly to bake in 1QFY27

(INR M)	FY27E			FY28E			FY29E
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	New
Net Sales	1,52,949	1,55,866	(1.9)	1,88,485	1,95,308	(3.5)	2,41,177
EBITDA	20,983	21,685	(3.2)	28,541	29,580	(3.5)	38,403
EBITDA (%)	13.7	13.9	-20 bp	15.1	15.1	0 bp	15.9
Adj. PAT	15,543	16,078	(3.3)	20,725	21,549	(3.8)	26,240
EPS (INR)	9.9	10.2	(3.3)	13.2	13.7	(3.8)	16.7

Source: MOFSL

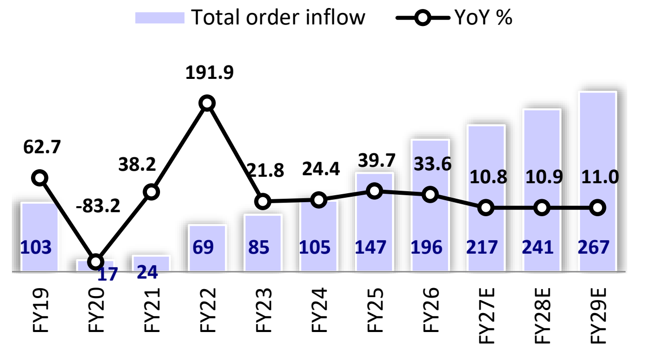
Exhibit 14: We arrive at a TP of INR975 based on SoTP valuation

Segment	PAT (INR m)	Valuation multiple (x)	Valuation (INR m)	Per share (INR)	Rationale
Power systems	17,915	58	10,39,049	660	❖ At a slight discount to MNC players expanding transformer capacities
Industrial systems	7,173	55	3,94,540	251	❖ At 10% discount to ABB, which is into premium motors
CG Semi - OSAT			98,604	63	❖ Based on DCF
Total			**15,32,193**	**973**	

Source: Company, MOFSL

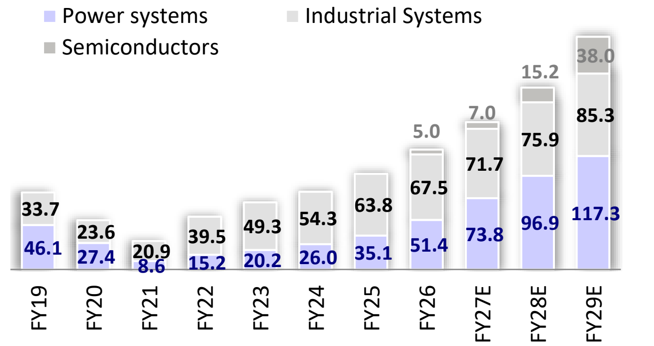
Financial outlook

Exhibit 15: We expect order inflow to clock a CAGR of 11% over FY26-29



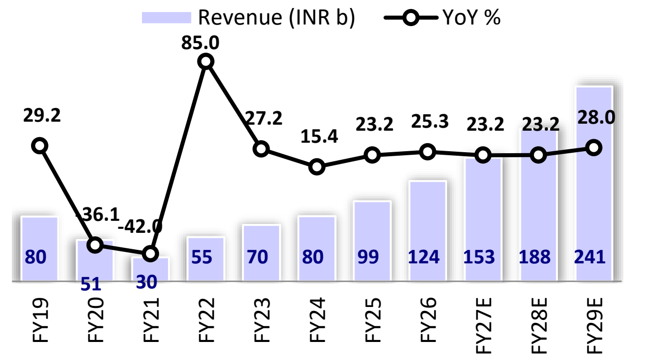
Source: Company, MOFSL

Exhibit 16: We expect revenue growth to be driven by power systems (INR b)



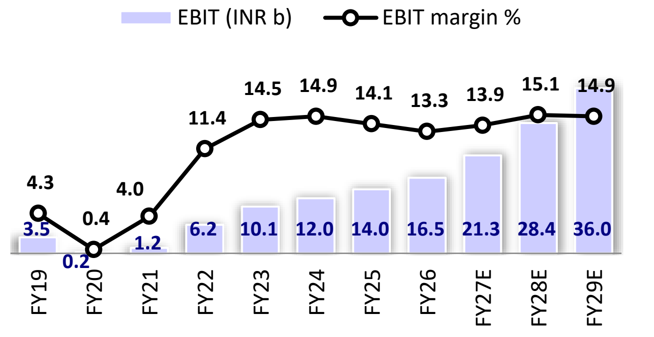
Source: Company, MOFSL

Exhibit 17: We expect revenue to clock a CAGR of 25% over FY26-29



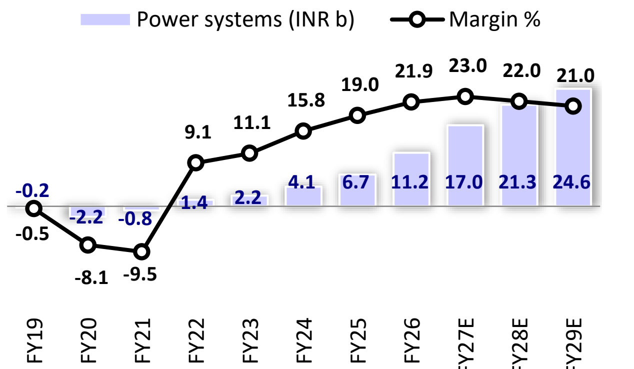
Source: Company, MOFSL

Exhibit 18: Gradual improvement in margin, led by better revenue mix and operating efficiencies



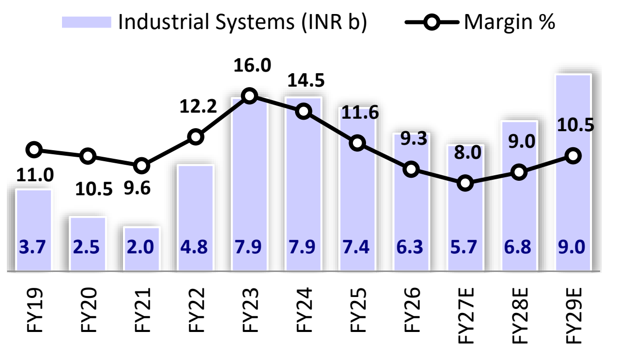
Source: Company, MOFSL

Exhibit 19: We expect a healthy margin in power systems led by strong demand and improved product mix



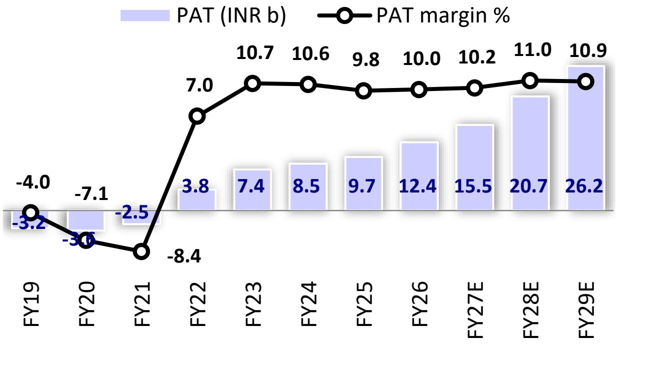
Source: Company, MOFSL

Exhibit 20: We expect the industrial systems' margins to stabilize around 8-11% over FY27-29



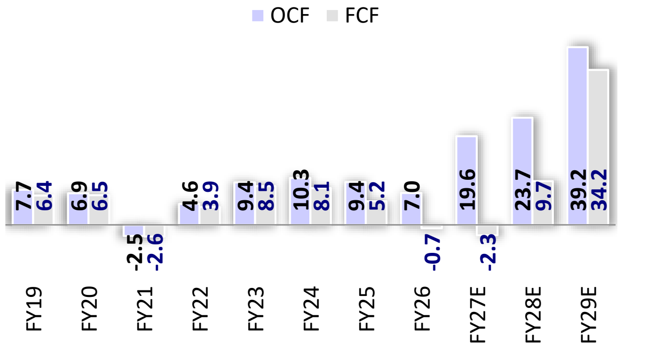
Source: Company, MOFSL

Exhibit 21: We expect PAT growth to be driven by higher revenue and margin improvement (INR b)



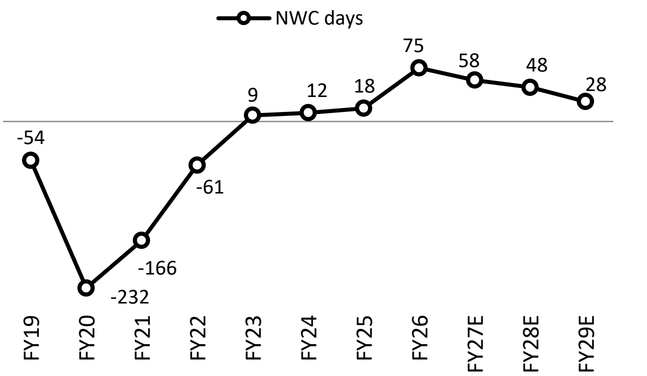
Source: Company, MOFSL

Exhibit 22: We expect OCF and FCF to start improving from FY28 (INR b)



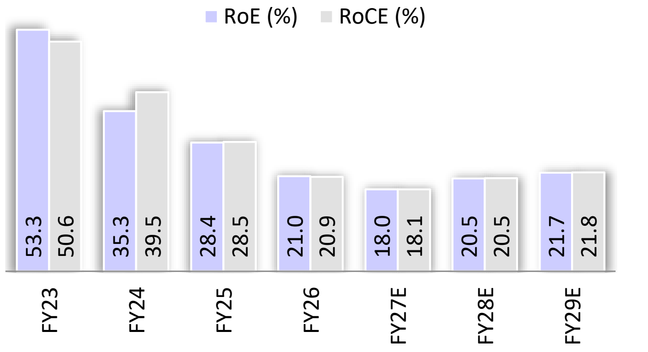
Source: Company, MOFSL

Exhibit 23: We expect NWC to be at comfortable levels



Source: Company, MOFSL

Exhibit 24: We expect RoE/RoCE to be around ~22% by FY29



Source: Company, MOFSL

Financials and valuation

Consolidated - Income Statement									(INR m)
Y/E Mar	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Total Income from Operations	**29,640**	**54,835**	**69,725**	**80,460**	**99,087**	**1,24,180**	**1,52,949**	**1,88,485**	**2,41,177**
Change (%)	-42.0	85.0	27.2	15.4	23.2	25.3	23.2	23.2	28.0
Raw Materials	19,743	39,018	48,556	55,522	69,262	85,662	1,05,508	1,30,021	1,66,369
Gross Profit	**9,897**	**15,818**	**21,169**	**24,938**	**29,825**	**38,518**	**47,442**	**58,464**	**74,808**
Employee Cost	3,718	3,651	4,217	5,081	6,128	9,516	11,720	14,443	18,481
Other Expenses	5,104	5,834	7,019	8,576	10,650	12,749	14,739	15,480	17,924
Total Expenditure	**28,565**	**48,503**	**59,792**	**69,179**	**86,039**	**1,07,927**	**1,31,967**	**1,59,944**	**2,02,774**
% of Sales	96.4	88.5	85.8	86.0	86.8	86.9	86.3	84.9	84.1
EBITDA	**1,075**	**6,333**	**9,933**	**11,281**	**13,047**	**16,253**	**20,983**	**28,541**	**38,403**
Margin (%)	3.6	11.5	14.2	14.0	13.2	13.1	13.7	15.1	15.9
Depreciation	1,383	986	945	949	1,118	1,956	2,718	3,297	6,504
EBIT	**-308**	**5,347**	**8,988**	**10,332**	**11,929**	**14,297**	**18,264**	**25,244**	**31,900**
Int. and Finance Charges	1,971	682	162	25	71	122	152	190	238
Other Income	1,114	376	678	1,063	1,622	2,443	2,735	2,771	3,588
PBT bef. EO Exp.	**-1,165**	**5,041**	**9,504**	**11,369**	**13,480**	**16,618**	**20,847**	**27,825**	**35,250**
EO Items	-15,437	-5,312	-2,184	-5,780	0	336	0	0	0
PBT after EO Exp.	**14,272**	**10,353**	**11,688**	**17,149**	**13,480**	**16,282**	**20,847**	**27,825**	**35,250**
Total Tax	1,476	1,223	2,058	2,873	3,750	4,295	5,388	7,191	9,111
Tax Rate (%)	10.3	11.8	17.6	16.8	27.8	26.4	25.8	25.8	25.8
Profit share of associates/JV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	-156	5	3	6	-16	-76	-83	-92	-101
Reported PAT	**12,952**	**9,125**	**9,627**	**14,270**	**9,746**	**12,063**	**15,543**	**20,725**	**26,240**
Adjusted PAT	**-2,485**	**3,813**	**7,443**	**8,490**	**9,746**	**12,399**	**15,543**	**20,725**	**26,240**
Change (%)	-31.8	-253.4	95.2	14.1	14.8	27.2	25.4	33.3	26.6
Margin (%)	-8.4	7.0	10.7	10.6	9.8	10.0	10.2	11.0	10.9

Consolidated - Balance Sheet									(INR m)
Y/E Mar	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Equity Share Capital	2,676	2,884	3,054	3,055	3,058	3,150	3,150	3,150	3,150
Total Reserves	-3,519	7,146	14,851	27,120	35,382	76,555	89,436	1,06,701	1,28,443
Net Worth	**-843**	**10,030**	**17,905**	**30,174**	**38,440**	**79,705**	**92,586**	**1,09,851**	**1,31,593**
Minority Interest	0	10	9	13	1,937	2,278	2,194	2,102	2,001
Total Loans	14,645	3,522	0	0	3	3	3	3	3
Deferred Tax Liabilities	-7,333	-6,219	-4,335	-1,557	838	367	367	367	367
Capital Employed	**6,469**	**7,342**	**13,579**	**28,630**	**41,217**	**82,352**	**95,149**	**1,12,322**	**1,33,964**
Gross Block	21,076	20,468	19,056	20,586	24,848	31,257	53,117	67,117	72,117
Less: Accum. Deprn.	11,176	11,178	10,973	11,635	12,869	14,825	17,543	20,840	27,343
Net Fixed Assets	**9,900**	**9,291**	**8,084**	**8,951**	**11,980**	**16,433**	**35,574**	**46,278**	**44,774**
Goodwill on Consolidation	1,557	1,524	1,621	1,638	2,811	3,649	3,649	3,649	3,649
Capital WIP	201	352	383	938	3,857	7,249	7,249	7,249	7,249
Total Investments	**19**	**413**	**10**	**5,885**	**4,375**	**4,533**	**4,533**	**4,533**	**4,533**
Curr. Assets, Loans&Adv.	**22,059**	**24,343**	**30,027**	**36,551**	**50,371**	**94,557**	**98,069**	**1,16,707**	**1,57,885**
Inventory	4,283	5,124	5,412	7,507	11,367	15,839	19,509	24,041	30,762
Account Receivables	5,870	9,437	12,971	15,342	20,092	29,240	36,014	44,382	56,789
Cash and Bank Balance	5,336	4,880	7,140	8,544	12,591	10,276	6,002	12,816	43,047
Loans and Advances	0	0	0	0	0	0	0	0	0
Other Current Asset	6,570	4,902	4,505	5,158	6,320	39,203	36,544	35,468	27,287
Curr. Liability & Prov.	**30,057**	**28,571**	**21,231**	**25,421**	**32,266**	**44,070**	**53,925**	**66,093**	**84,126**
Account Payables	10,345	11,486	12,727	14,843	18,700	24,684	30,403	37,467	47,941
Other Current Liabilities	17,255	15,064	6,506	8,256	10,928	16,176	19,568	23,754	29,951
Provisions	2,457	2,020	1,999	2,323	2,638	3,210	3,954	4,872	6,234
Net Current Assets	**-7,999**	**-4,229**	**8,796**	**11,130**	**18,105**	**50,487**	**44,144**	**50,614**	**73,759**
Discontinued operations	-2,791	8	5,315	-89	-90	-1	0	0	0
Appl. of Funds	**6,469**	**7,342**	**13,579**	**28,630**	**41,217**	**82,352**	**95,149**	**1,12,322**	**1,33,964**

Financials and valuation

Ratios

Y/E Mar	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Basic (INR)									
EPS	**-1.9**	**2.6**	**4.9**	**5.6**	**6.4**	**7.9**	**9.9**	**13.2**	**16.7**
Cash EPS	-0.8	3.3	5.5	6.2	7.1	9.1	11.6	15.3	20.8
BV/Share	-0.6	7.0	11.7	19.8	25.1	50.6	58.8	69.7	83.6
DPS	0.0	0.0	1.5	1.3	1.3	1.3	1.7	2.2	2.9
Payout (%)	0.0	0.0	25.1	14.1	20.4	16.5	17.1	16.7	17.1
Valuation (x)									
P/E	-466.4	327.6	177.8	155.8	135.9	110.0	87.8	65.8	52.0
Cash P/E	-1,051.7	260.3	157.7	140.2	121.9	95.1	74.7	56.8	41.7
P/BV	-1,375.3	124.5	73.9	43.9	34.5	17.1	14.7	12.4	10.4
EV/Sales	39.4	22.8	18.9	16.3	13.2	10.9	8.9	7.2	5.5
EV/EBITDA	1,087.2	197.0	132.5	116.5	100.6	83.3	64.7	47.4	34.4
Dividend Yield (%)	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.3	0.3
FCF per share	-1.9	2.7	5.6	5.3	3.4	-0.5	-1.5	6.1	21.7
Return Ratios (%)									
RoE	264.4	83.0	53.3	35.3	28.4	21.0	18.0	20.5	21.7
RoCE	4.9	36.9	50.6	39.5	28.5	20.9	18.1	20.5	21.8
RoIC	-3.9	361.1	191.2	89.1	51.2	26.1	19.7	22.7	28.4
Working Capital Ratios									
Fixed Asset Turnover (x)	1.4	2.7	3.7	3.9	4.0	4.0	2.9	2.8	3.3
Asset Turnover (x)	4.6	7.5	5.1	2.8	2.4	1.5	1.6	1.7	1.8
Inventory (Days)	53	34	28	34	42	47	47	47	47
Debtor (Days)	72	63	68	70	74	86	86	86	86
Creditor (Days)	127	76	67	67	69	73	73	73	73
Leverage Ratio (x)									
Current Ratio	0.7	0.9	1.4	1.4	1.6	2.1	1.8	1.8	1.9
Interest Cover Ratio	-0.2	7.8	55.5	406.8	168.2	117.5	120.1	132.8	134.2
Net Debt/Equity	-11.0	-0.2	-0.4	-0.5	-0.4	-0.2	-0.1	-0.2	-0.4

Consolidated - Cashflow Statement (INR m)

Y/E Mar	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
OP/(Loss) before Tax	14,272	7,519	10,021	11,584	13,480	16,262	20,847	27,825	35,250
Depreciation	1,383	986	945	949	1,118	1,956	2,718	3,297	6,504
Interest & Finance Charges	1,971	682	162	25	71	122	152	190	238
Direct Taxes Paid	-35	397	-115	-32	-1,964	-5,119	-5,388	-7,191	-9,111
(Inc)/Dec in WC	-5,008	-2,365	-714	-1,171	-2,012	-4,975	1,227	-459	6,321
CF from Operations	**12,583**	**7,218**	**10,299**	**11,356**	**10,693**	**8,246**	**19,556**	**23,661**	**39,202**
Others	-15,033	-2,601	-935	-1,015	-1,249	-1,221	0	0	0
CF from Operating incl EO	**-2,450**	**4,617**	**9,364**	**10,341**	**9,444**	**7,025**	**19,556**	**23,661**	**39,202**
(Inc)/Dec in FA	-150	-696	-818	-2,228	-4,254	-7,748	-21,860	-14,000	-5,000
Free Cash Flow	**-2,601**	**3,920**	**8,546**	**8,113**	**5,190**	**-724**	**-2,304**	**9,661**	**34,202**
(Pur)/Sale of Investments	3	-967	422	-5,635	-93	1,263	0	0	0
Others	-335	266	197	-5,905	-1,333	-29,565	844	803	765
CF from Investments	**-483**	**-1,397**	**-199**	**-13,768**	**-5,681**	**-36,051**	**-21,016**	**-13,197**	**-4,235**
Issue of Shares	6,644	574	556	32	324	200	0	0	0
Inc/(Dec) in Debt	-534	-6,564	-3,157	0	-157	-1	0	0	0
Interest Paid	-354	-492	-95	-9	-32	-21	-152	-190	-238
Dividend Paid	0	0	-2,291	-1,986	-1,988	-2,047	-2,662	-3,460	-4,498
Others	143	-1,522	-1,104	-488	187	29,807	0	0	0
CF from Fin. Activity	**5,899**	**-8,004**	**-6,090**	**-2,451**	**-1,666**	**27,939**	**-2,814**	**-3,650**	**-4,736**
Inc/Dec of Cash	**2,966**	**-4,785**	**3,075**	**-5,878**	**2,097**	**-1,087**	**-4,274**	**6,814**	**30,231**
Opening Balance	1,920	4,880	3,973	7,119	2,004	4,101	10,276	6,002	12,816
Other Bank Balances	447	908	21	6,546	8,496	7,269	0	0	0
Other adjustments	2	3,878	72	758	-6	-7			
Closing Balance	**5,335**	**4,880**	**7,140**	**8,545**	**12,591**	**10,276**	**6,002**	**12,816**	**43,047**

NOTES

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:

Disclaimer:

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.