

Amber Enterprises

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	AMBER IN
Equity Shares (m)	35
M.Cap.(INRb)/(USDb)	254 / 2.9
52-Week Range (INR)	8626 / 5235
1, 6, 12 Rel. Per (%)	-16/16/11
12M Avg Val (INR M)	3634

Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	117.9	146.0	179.8
EBITDA	9.0	12.4	16.5
EBITDA Margin (%)	7.6	8.5	9.2
PAT	3.2	5.5	7.9
EPS (INR)	90.4	158.0	224.9
EPS Growth (%)	25.6	74.7	42.3
BV/Share (INR)	1,027	1,185	1,410

Ratios

Net D/E	0.1	0.1	-0.0
RoE (%)	10.8	14.3	17.3
RoCE (%)	11.3	14.9	18.1

Valuations

P/E (x)	80.0	45.8	32.2
P/BV (x)	7.0	6.1	5.1
EV/EBITDA (x)	28.8	20.8	15.5

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	38.2	39.7	39.8
DII	20.2	17.8	17.8
FII	30.6	28.6	26.4
Others	11.0	13.9	16.0

FII Includes depository receipts

CMP: INR7,227 TP: INR8,400 (+16%)

Buy

Weak demand impacts performance

Amber Enterprises (AMBER) posted a weak performance in 2QFY26. Weakness was driven by the consumer durable segment, which was impacted by lower demand and delayed purchases owing to GST 2.0. The company has still outperformed the RAC industry in 2QFY26, with a decline of 18% YoY vs the industry decline of 30-33% YoY for the quarter. The electronics division was also impacted by weak demand in the consumer durable segment. We expect this demand to revive in 2HFY26, and the company to outperform the RAC industry for FY26. We expect the electronics division's performance to be driven by growth in both PCBA and PCB segments, along with recent acquisitions of Powerone and Unitronics despite a slight delay in the commissioning of the Ascent facility. This momentum is expected to be further supported by the commissioning of the company's capacity in JV with Korea Circuit, which we expect to commence from FY28. We expect the railway segment's performance to remain subdued in the near term. We cut our PAT estimates by 19%/10%/11% each for FY26/27/28 to factor in 2QFY26 performance and also incorporate the recent fund raise of INR10b. Reiterate BUY with a revised TP of INR8,400 (INR9,000 earlier).

Weaker-than-expected results

AMBER reported a weak set of numbers. 2Q is usually the weakest quarter for AMBER, mainly due to monsoons. Consolidated revenue growth was broadly flat YoY at INR16.5b vs our expectation of 20% growth, mainly due to lower-than-expected demand in the consumer durables segment impacted by the monsoon and delayed purchases following GST 2.0. Gross margin expanded 40bp YoY to 20.5% vs our estimate of 18.0%. Absolute EBITDA declined 20% YoY to INR913m, indicating a miss to our estimates by 37%, while margins contracted 130bp YoY to 5.5% vs our estimate of 7.2%, mainly due to weakness in the consumer durables segment. The company reported a net loss of INR329m vs our estimate of a net profit of INR264m. For 1HFY26, revenue/EBITDA increased 25%/12% YoY, while PAT declined 23% YoY and EBITDA margin contracted 80bp YoY. For 1HF26, the company reported a net operating cash outflow of INR7.7b vs an outflow of INR2b last year, mainly due to an increase in working capital.

Consumer durables segment revival expected in coming quarters

The segment's revenue declined 18% YoY to INR8.7b in 2QFY26 (outperforming the industry's 30-35% volume drop), driven by unfavorable weather and deferred purchases ahead of the GST rate cut implementation. Management remains confident of 13-15% growth in FY26, aided by a likely rebound in 4Q and an expanded product portfolio that now includes a full CAC range up to 17.5 tons. The company's continued focus on scaling its component business, deepening OEM partnerships, and launching new CAC models in Nov-Dec'25 should help it gain share as demand normalizes. Inventory build-up from the weak summer is expected to normalize by 4QFY26, improving working capital and utilization levels. Margins contracted 160bps YoY to 4.3% due to lower plant utilization, though this pressure is purely cyclical, with recovery expected in the seasonally strong 4QFY26. We expect the segment to post a revenue CAGR of 16% over FY25-28, with margins stabilizing at around 8.0%.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Electronics segment scaling towards a full-stack EMS ecosystem

The electronics division continued to deliver strong growth, with revenue up 30% YoY in 2QFY26, driven by strong performance across both PCBA and bare PCB verticals. Margins were temporarily impacted by higher copper-clad laminate and gold prices, but management expects recovery to 8-9% by FY26-end, and anticipates reaching double digits in FY27, as these costs are passed on to customers with a one-quarter lag. **Near-term** growth will be supported by sustained demand from the consumer durables sector and incremental contributions from Power-One Microsystems, which expands AMBER's presence in solar inverters, EV chargers, and battery energy storage systems. Over the **medium-to-long term**, AMBER is transitioning into a full-stack EMS provider across PCBA, bare PCBs, and complete box-build products for industrial automation and power electronics. The upcoming Ascent Circuits and Korea Circuit JV facilities will enhance its scale, self-reliance, and ability to offer end-to-end solutions. The company targets USD1b revenue in the next three years. We expect a revenue CAGR of 38% over FY25-28, with margins expanding to double digits by FY28, aided by a shift in the mix to higher-margin businesses such as Power-One (15-18%), Unitronics (25-28%), and bare PCBs (17-19%).

Railways segment to revive in FY27

The railways segment recorded 7% YoY growth in revenue in 2QFY26, driven by higher metro project offtake and gradual execution of new orders. Despite the soft quarter, management remains confident of doubling revenue over the next two years, backed by a strong INR26b order book and expected inflows of another INR4b-5b. **Near-term** momentum will come from: 1) Sidwal's greenfield HVAC facility trials beginning in 3QFY26 with commercial operations in 4QFY26, 2) Yujin Machinery JV for pantographs, brakes, and couplers to start production in 1HFY27. While the near-term focus remains on execution ramp-up and cost discipline as new facilities commercialize, the **medium-to-long term** growth will be led by large infrastructure programs such as Vande Bharat, metro rail expansions, and defense cooling systems, which are gaining traction and expected to contribute materially in the coming years. We expect railways division to clock a revenue CAGR of 23% over FY25-28, with margin to sustain around 18.5% for FY27/28.

Building capacities for the next growth cycle

AMBER has planned out a gross capex of INR7b-8.5b in FY26, excluding subsidies. For FY27, ~INR3b will go toward consumer durables, while the bulk of the investment will support the electronics vertical, from the planned INR6.5b for Ascent Circuits and INR12b for the Korea Circuit JV, largely spread over FY26-FY27. Management expects trial production at Ascent to start by Sep'26 and commercial operations in 3QFY27. Korea Circuit's construction will begin by Jan'26, with completion expected in one year and revenue contribution anticipated from FY28 onwards. Additionally, the company expects to receive PLI and other subsidies by FY28-FY29, which should help partially fund expansion and enhance returns on capital employed. We have factored in a capex of INR8b-8.5b each over FY26-28.

Strengthening balance sheet amid acquisitions

The quarter marked significant progress on strategic acquisitions and balance sheet improvement for AMBER. ILJIN completed the acquisition of a 60% stake in Power-One Microsystems, expanding AMBER's footprint into high-growth energy storage and EV charging solutions, and acquired a 40.2% controlling stake in Unitronics (Israel), a leader in industrial automation systems. These acquisitions will not only add to topline growth but also improve blended margins, given their higher margin

profiles. The company raised INR10b via QIP and INR17.5b at ILJIN from marquee investors, strengthening its financial flexibility. Management expects to be net cash positive by FY26-end, with interest costs reducing to INR200m-250m in 2HFY26. The company's capital discipline amid expansion indicates strong balance sheet management, which should support sustainable growth in the coming years.

Financial outlook

We cut our PAT estimates by 19%/10%/11% each for FY26/27/28 to factor in 2QFY26 performance and also incorporate recent fund raise of INR10b. We, thus, expect revenue/EBITDA/PAT CAGR of 22%/29%/48% over FY25-28 for AMBER.

Valuation and recommendation

The stock currently trades at 80.0x/45.8x/32.2x P/E on FY26/27E/28E earnings. We cut our estimates and **reiterate our BUY rating** on the stock with a revised DCF-based TP of INR8,400 (earlier INR9,000).

Key risks and concerns

Key risks and concerns include lower-than-expected demand growth in the RAC industry; change in BEE norms making products costlier; change in announced capex policy; and increased competition across the RAC, mobility, and electronics segments.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY25	FY26E	FY26E 2QE	Est Var (%)
Gross Sales	24,013	16,847	21,333	37,537	34,491	16,470	26,910	40,069	99,730	1,17,940	20,114	-18
YoY Change (%)	41.1	81.7	64.8	33.8	43.6	-2.2	26.1	6.7	48.2	18.3	19.4	
Total Expenditure	22,051	15,710	19,746	34,590	31,924	15,557	24,946	36,542	92,096	1,08,969	18,672	-17
EBITDA	1,962	1,137	1,587	2,947	2,567	913	1,965	3,527	7,634	8,972	1,442	-37
YoY Change (%)	48.7	90.9	102.2	32.8	30.8	-19.7	23.8	19.7	55.2	17.5	26.8	
Margins (%)	8.2	6.8	7.4	7.9	7.4	5.5	7.3	8.8	7.7	7.6	7.2	
Depreciation	549	566	588	580	618	702	647	620	2,283	2,588	596	18
Interest	518	486	537	546	634	769	250	359	2,087	2,012	586	31
Other Income	207	178	160	191	297	156	189	151	736	792	203	-23
PBT before EO expense	1,101	263	623	2,013	1,612	-403	1,256	2,698	3,999	5,164	463	NM
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	NM
PBT	1,101	263	623	2,013	1,612	-403	1,256	2,698	3,999	5,164	463	NM
Tax	298	26	162	702	484	-156	332	907	1,188	1,567	130	NM
Rate (%)	27.0	10.1	26.1	34.9	30.0	38.8	26.5	33.6	29.7	30.3	28.1	
MI & P/L of Asso. Cos.	79	44	102	151	90	82	104	148	376	425	69	20
Reported PAT	724	192	359	1,160	1,039	-329	820	1,643	2,436	3,173	264	NM
Adj PAT	724	192	359	1,160	1,039	-329	820	1,643	2,436	3,173	264	NM
YoY Change (%)	58.6	NM	NM	22.6	43.5	NM	128.5	41.6	83.3	30.3	37.2	
Margins (%)	3.0	1.1	1.7	3.1	3.0	-2.0	3.0	4.1	2.4	2.7	1.3	

Y/E March	FY25				FY26E				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY25	FY26E	FY26E 2QE	Est Var (%)
Segmental revenue												
Consumer Durables Division	19,180	10,690	15,550	27,870	25,600	8,730	18,660	28,311	73,290	81,301	12,294	-29
Electronics Division	3,880	4,920	4,720	8,420	7,660	6,420	7,080	10,653	21,940	31,813	6,642	-3
Railway Sub-systems & Mobility	950	1,240	1,064	1,250	1,230	1,320	1,170	1,106	4,500	4,826	1,178	12
Total Revenues	24,013	16,847	21,333	37,537	34,491	16,470	26,910	40,069	99,730	1,17,940	20,114	-18
Operating EBITDA												
Consumer Durables Division	1,500	620	1,160	2,340	1,920	370	1,306	2,501	5,620	6,098	762	-51
Margin (%)	7.8	5.8	7.5	8.4	7.5	4.2	7.0	8.8	7.7	7.5	6.2	
Electronics Division	300	370	340	500	490	390	496	1,010	1,510	2,386	531	-27
Margin (%)	7.7	7.5	7.2	5.9	6.4	6.1	7.0	9.5	6.9	7.5	8.0	
Railway Sub-systems & Mobility	200	210	120	300	220	210	207	205	830	842	212	-1
Margin (%)	21.1	16.9	11.2	24.0	17.9	15.9	17.7	18.5	18.4	17.4	18.0	
Total EBITDA (Pre ESOP and	2,000	1,200	1,619	3,140	2,630	970	2,009	3,717	7,960	9,325	1,506	-36
Margin (%)	8.3	7.1	7.6	8.4	7.6	5.9	7.5	9.3	8.0	7.9	7.5	
ESOP/Other op exp	38	63	32	193	63	57	44	189	326	354	64	-10
Total EBITDA	1,962	1,137	1,587	2,947	2,567	913	1,965	3,527	7,634	8,972	1,442	-37
Margin (%)	8.2	6.8	7.4	7.9	7.4	5.5	7.3	8.8	7.7	7.6	7.2	



Conference call highlights

Segment-wise

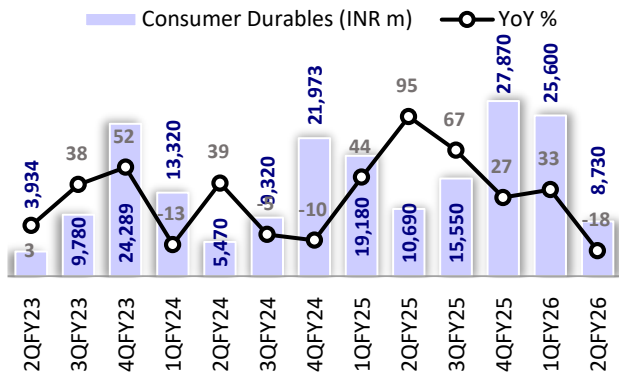
- **Consumer Durables:** The segment showed resilience despite an extremely challenging season for RACs, where the industry declined 30-35% YoY due to unfavorable weather and purchase deferments ahead of the GST rate cut implementation. AMBER's division revenue fell by 18% YoY, outperforming the industry and reflecting the strength of its diversified product base. The company highlighted new CAC models being launched in Nov-Dec this year and emphasized that inventories have started normalizing and should return to optimal levels by 4Q.
- **Electronics:** The YoY growth in revenues was supported by strong performance across both PCBA and bare PCB verticals. Revenue grew 30% YoY during the quarter, though margins were temporarily impacted by a 13% rise in copper-clad laminate prices and higher gold costs. Management explained that these cost escalations are recoverable from customers with a one-quarter lag, and margins are expected to recover with FY26 margin guidance at 8-9%, moving into double digits in FY27.
- **Railways:** The segment grew 7% YoY in the quarter, driven by higher metro project execution. Management reiterated confidence in doubling revenue within two years, backed by a strong INR26b order book and expected inflows of INR4-5b. The Sidwal greenfield facility for HVAC systems and doors will start trial runs in 3QFY26 and commercial production in 4QFY26, while the Yujin Machinery JV for pantographs and brakes will begin production in 1HFY27. Additionally, defense cooling systems are gaining traction and are expected to contribute meaningfully in the near term.

Other highlights

- **Capex plans:** AMBER plans a consolidated capex of INR7b-8.5b in FY26, largely directed toward the electronics and consumer durable divisions. For FY27, around INR3b will be allocated to the consumer durables segment, while major investments are planned in electronics for PCB manufacturing, including INR6.5b at Ascent Circuits and INR12b at the Korea Circuit JV, as well as ~INR1.5b-1.8b in PCBA. The railways division will see modest capex of INR500m-600m.
- **JVs and associates:** During the quarter, ILJIN acquired a 60% stake in Power-One Microsystems, with expected FY26 revenue of INR2.7-2.8b and 15-18% EBITDA margins. It also purchased 40.2% controlling stake in Unitronics (Israel), a leader in industrial automation systems with 25-28% EBITDA margins, which will be fully consolidated. Management expects JV and associate losses of INR250-300m in FY26, tapering sharply in FY27 as operations ramp up.
- **Funds raised:** Management emphasized the successful INR10b QIP fundraise and INR17.5b investment in ILJIN Electronics from marquee investors. Inventory levels are expected to normalize by 4QFY26, and the company aims to turn cash positive by year-end. Working capital days are guided at 30-35 days.
- **Guidance:** Revenue growth of 13-15% YoY is expected in consumer durables and revenue of over INR32b in electronics for FY26, with PCBA contributing over INR24b. Electronics margins are expected to reach 8-9% by FY26-end and cross double digits in FY27. The railways and defense segment is expected to double its revenue within two years. The company aims for its electronics division to achieve USD1b revenue in the next three years, while consumer durables should grow in line with the expanding RAC market, expected to double by FY30.

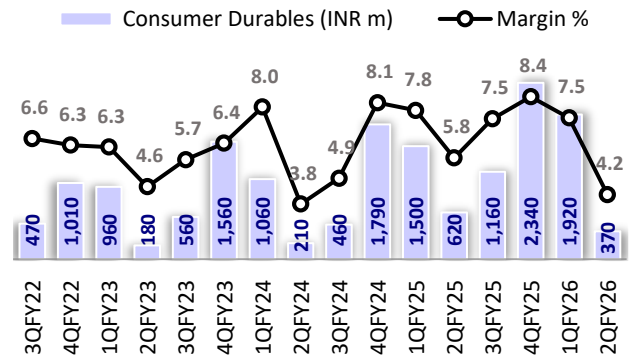
Key Exhibits

Exhibit 1: Consumer durables' revenue decreased 18% YoY due to a challenging season for RAC industry



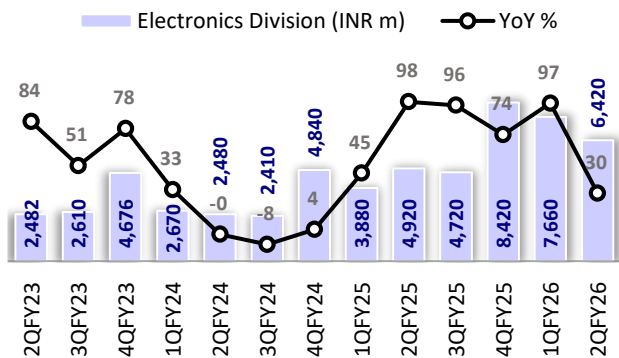
Source: Company, MOFSL

Exhibit 2: Consumer durables' margin contracted 160bp YoY in 2QFY26 at 4.2%



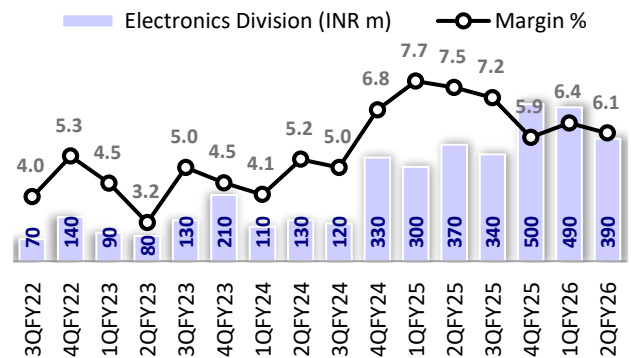
Source: Company, MOFSL

Exhibit 3: Electronics segment's revenue increased 30% YoY



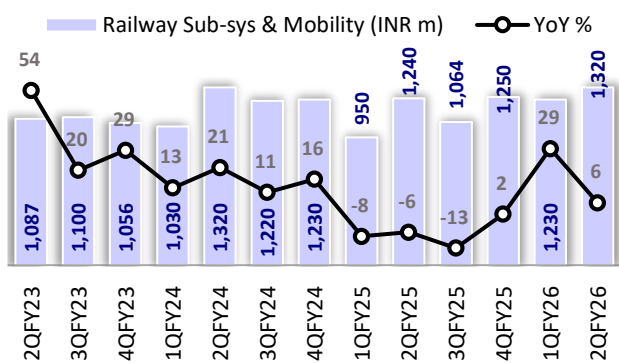
Source: Company, MOFSL

Exhibit 4: Electronics segment's EBITDA grew 5% YoY



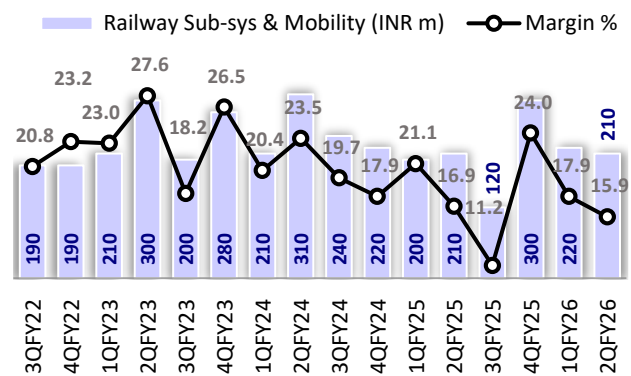
Source: Company, MOFSL

Exhibit 5: Railway & Mobility segments expected to remain weak for the next few quarters



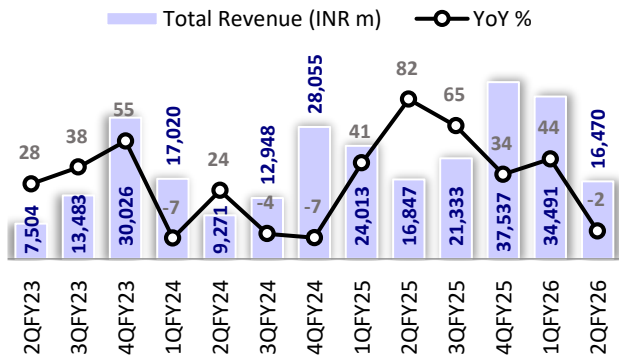
Source: Company, MOFSL

Exhibit 6: Railways segment's margins to remain in high double digits



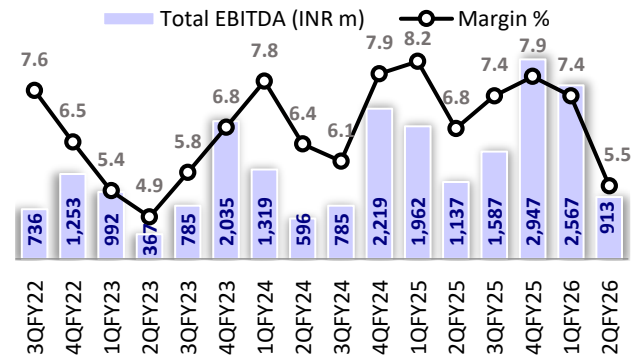
Source: Company, MOFSL

Exhibit 7: Group revenue declined 2% YoY



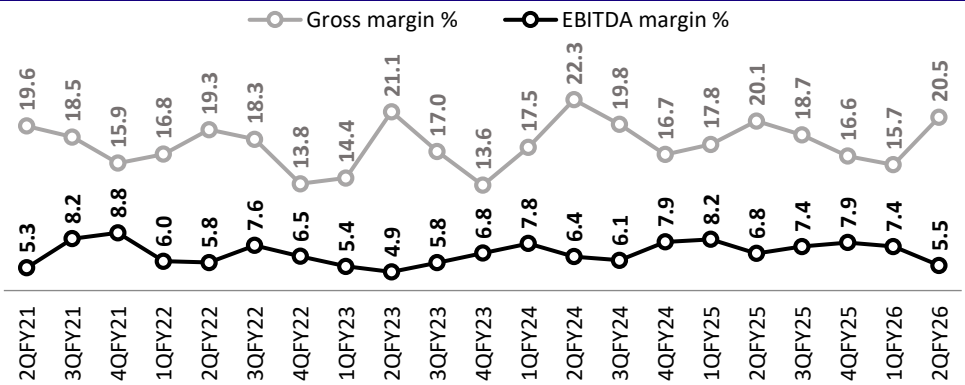
Source: Company, MOFSL

Exhibit 8: EBITDA margin contracted 130bp YoY



Source: Company, MOFSL

Exhibit 9: Gross margin expanded, though EBITDA margin contracted YoY due to higher share of consumer durables segment



Source: Company, MOFSL

Exhibit 10: We increase our PAT estimates by 19%/10%/11% each for FY26/27/28 to factor in 2QFY26 performance

(INR m)	FY26E			FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	New	Old	Chg (%)
Net Sales	1,17,940	1,27,591	(7.6)	1,45,950	1,56,328	(6.6)	1,79,762	1,90,623	(5.7)
EBITDA	8,972	10,128	(11.4)	12,441	13,455	(7.5)	16,539	17,407	(5.0)
EBITDA (%)	7.6	7.9	-30 bp	8.5	8.6	-10 bp	9.2	9.1	10 bp
Adj. PAT	3,173	3,931	(19.3)	5,544	6,137	(9.7)	7,890	8,891	(11.3)
EPS (INR)	90	116	(22.2)	158	181	(12.9)	225	263	(14.4)

Source: MOFSL

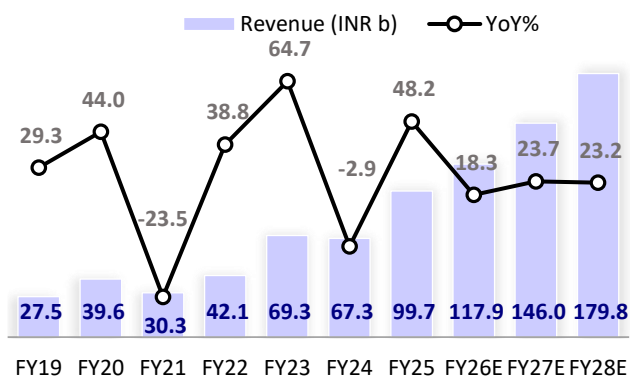
Financial outlook

Exhibit 11: Segmental revenue and EBITDA

Y/E March (INR m)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Segmental revenue							
Consumer Durables Division	32,810	53,339	50,083	73,290	81,301	95,639	1,13,382
Growth YoY (%)	38.5	62.6	-6.1	46.3	10.9	17.6	18.6
Electronics Division	6,310	11,776	12,410	21,940	31,813	42,948	57,979
Growth YoY (%)	36.9	86.6	5.4	76.8	45.0	35.0	35.0
Railway Sub-systems & Mobility division	2,944	4,156	4,800	4,500	4,826	7,364	8,401
Growth YoY (%)	46.5	41.2	15.5	-6.3	7.2	52.6	14.1
Total Revenues	42,064	69,271	67,293	99,730	1,17,940	1,45,950	1,79,762
Growth YoY (%)	38.8	64.7	-2.9	48.2	18.3	23.7	23.2
Operating EBITDA							
Consumer Durables Division	2,030	3,260	3,520	5,620	6,098	7,651	9,071
Margin (%)	6.2	6.1	7.0	7.7	7.5	8.0	8.0
Electronics Division	260	510	690	1,510	2,386	3,865	5,914
Margin (%)	4.1	4.3	5.6	6.9	7.5	9.0	10.2
Railway Sub-systems & Mobility division	670	990	980	830	842	1,362	1,554
Margin (%)	22.8	23.8	20.4	18.4	17.4	18.5	18.5
Total Operating EBITDA	2,960	4,760	5,190	7,960	9,325	12,879	16,539
Margin (%)	7.0	6.9	7.7	8.0	7.9	8.8	9.2
ESOP & Other adjustments	206	581	271	326	354	438	0
EBITDA	2,754	4,179	4,919	7,634	8,972	12,441	16,539
Margin (%)	6.5	6.0	7.3	7.7	7.6	8.5	9.2

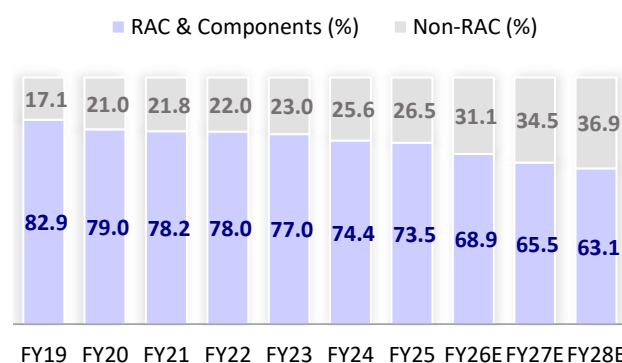
Source: Company, MOFSL

Exhibit 12: We expect AMBER's revenue to post a 22% CAGR over FY25-FY28



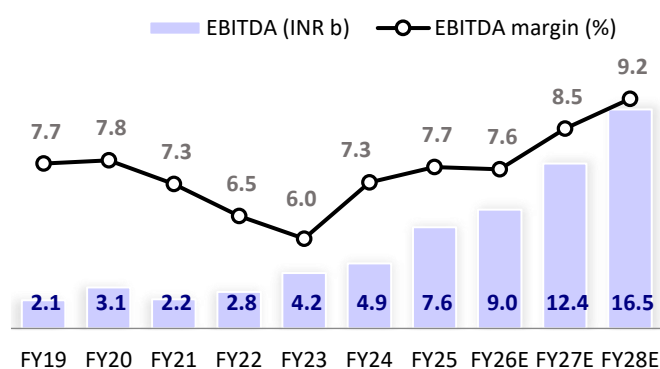
Source: Company, MOFSL

Exhibit 13: We expect the share of non-AC revenue to improve from the current levels



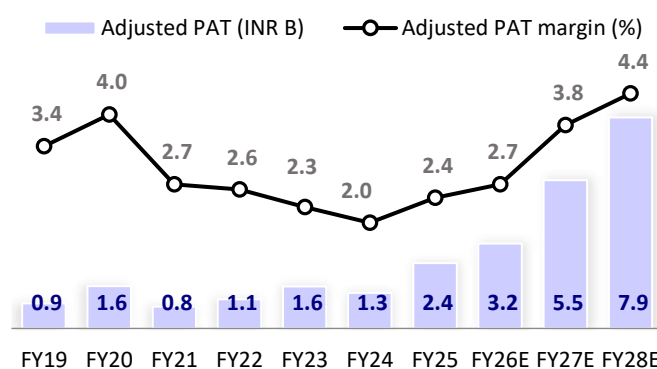
Source: Company, MOFSL

Exhibit 14: EBITDA margin expected to expand on improved revenue from higher-margin segments



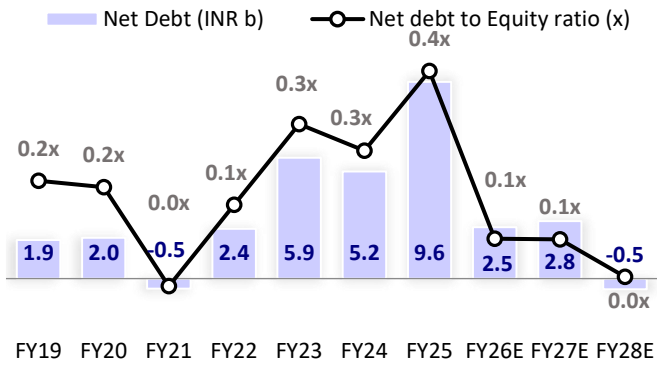
Source: Company, MOFSL

Exhibit 15: We expect its PAT to clock a 48% CAGR over FY25-FY28



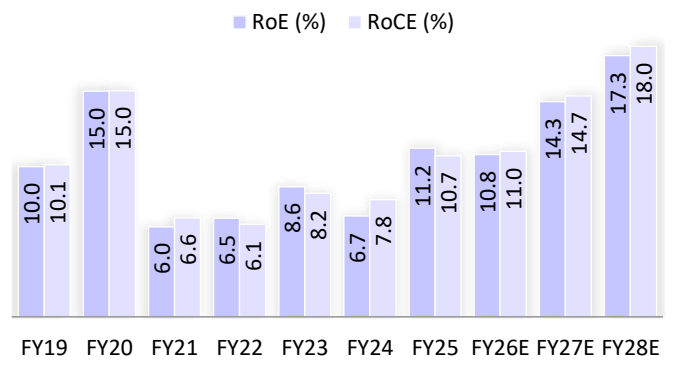
Source: Company, MOFSL

Exhibit 16: We expect net debt to normalize after the currently planned capex and repayment of debt



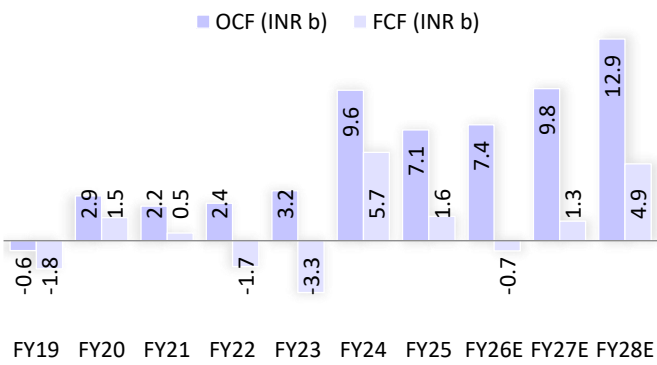
Source: Company, MOFSL

Exhibit 17: We expect RoE & RoCE to remain in double-digit levels beyond FY25



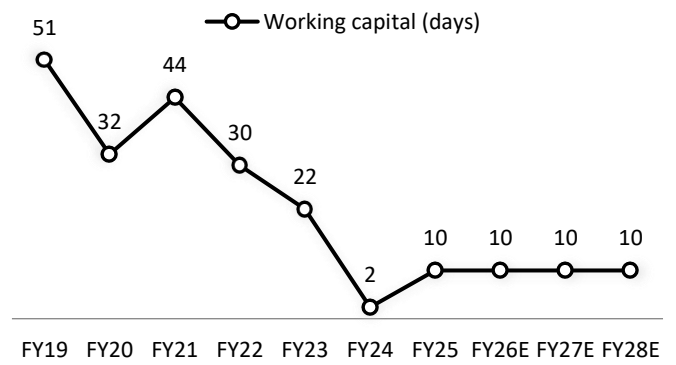
Source: Company, MOFSL

Exhibit 18: FCF expected to climb back to moderate levels once capex requirements are fulfilled



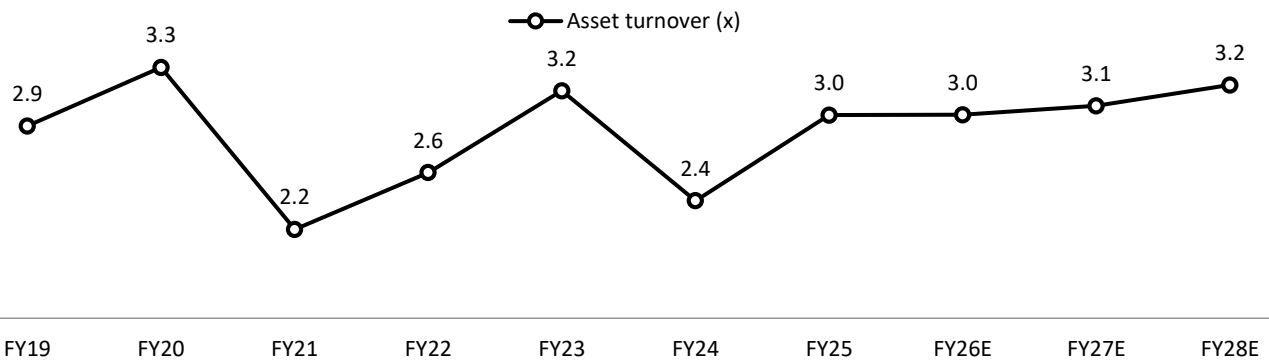
Source: Company, MOFSL

Exhibit 19: NWC cycle to remain at comfortable levels for the company



Source: Company, MOFSL

Exhibit 20: With an improved product mix and increased government incentives, we expect the asset turnover ratio to improve



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement									(INR m)
Y/E Mar	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	39,628	30,305	42,064	69,271	67,293	99,730	1,17,940	1,45,950	1,79,762
Change (%)	44.0	-23.5	38.8	64.7	-2.9	48.2	18.3	23.7	23.2
Raw Materials	33,017	25,135	35,297	58,678	54,999	81,856	96,802	1,19,792	1,47,543
Gross Profit	6,611	5,170	6,767	10,593	12,293	17,875	21,138	26,159	32,219
Employee Cost	1,063	1,021	1,500	2,116	2,572	3,246	3,538	4,356	5,332
Other Expenses	2,455	1,947	2,514	4,298	4,802	6,995	8,629	9,362	10,348
Total Expenditure	36,535	28,102	39,310	65,092	62,374	92,096	1,08,969	1,33,509	1,63,223
% of Sales	92.2	92.7	93.5	94.0	92.7	92.3	92.4	91.5	90.8
EBITDA	3,093	2,203	2,754	4,179	4,919	7,634	8,972	12,441	16,539
Margin (%)	7.8	7.3	6.5	6.0	7.3	7.7	7.6	8.5	9.2
Depreciation	848	923	1,079	1,391	1,865	2,283	2,588	3,121	3,653
EBIT	2,245	1,280	1,675	2,788	3,054	5,351	6,384	9,319	12,885
Int. and Finance Charges	419	410	464	1,118	1,670	2,087	2,012	1,331	1,339
Other Income	82	331	332	527	553	736	792	639	614
PBT bef. EO Exp.	1,907	1,201	1,543	2,197	1,937	3,999	5,164	8,628	12,161
EO Items	0	0	0	0	0	0	0	0	0
PBT after EO Exp.	1,907	1,201	1,543	2,197	1,937	3,999	5,164	8,628	12,161
Total Tax	266	369	429	559	519	1,188	1,567	2,290	3,036
Tax Rate (%)	13.9	30.7	27.8	25.4	26.8	29.7	30.3	26.5	25.0
MI & Profit/Loss of Asso. Cos.	57	17	21	66	89	376	425	794	1,234
Reported PAT	1,584	816	1,092	1,572	1,329	2,436	3,173	5,544	7,890
Adjusted PAT	1,584	816	1,092	1,572	1,329	2,436	3,173	5,544	7,890
Change (%)	69.1	-48.5	33.8	44.0	-15.5	83.3	30.3	74.7	42.3
Margin (%)	4.0	2.7	2.6	2.3	2.0	2.4	2.7	3.8	4.4

Consolidated - Balance Sheet									(INR m)
Y/E Mar	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	314	337	337	337	337	338	351	351	351
Total Reserves	10,970	15,704	17,005	18,751	20,307	22,520	35,680	41,224	49,114
Net Worth	11,284	16,041	17,342	19,088	20,644	22,858	36,031	41,574	49,465
Minority Interest	348	365	387	452	518	245	385	879	1,813
Total Loans	3,205	3,495	10,318	13,437	14,332	19,400	10,400	10,400	10,400
Deferred Tax Liabilities	678	769	954	947	1,348	1,749	1,749	1,749	1,749
Capital Employed	15,515	20,670	29,001	33,924	36,841	44,253	48,565	54,603	63,427
Gross Block	13,465	14,683	18,037	25,621	31,309	35,305	43,405	51,905	59,905
Less: Accum. Deprn.	3,630	4,466	5,335	6,556	8,333	10,531	13,010	16,013	19,535
Net Fixed Assets	9,836	10,218	12,702	19,065	22,977	24,774	30,395	35,893	40,371
Goodwill on Consolidation	1,223	1,223	1,457	1,425	3,609	3,609	3,609	3,609	3,609
Capital WIP	118	433	1,282	503	908	1,977	1,977	1,977	1,977
Total Investments	0	1,081	2,254	1,934	2,173	2,515	2,515	2,515	2,515
Curr. Assets, Loans&Adv.	17,813	22,892	31,401	39,475	36,236	51,390	56,885	67,763	84,548
Inventory	6,557	7,163	8,408	10,913	8,408	16,551	19,573	24,221	29,832
Account Receivables	8,542	10,690	13,149	17,631	15,693	17,501	20,696	25,612	31,545
Cash and Bank Balance	1,203	2,899	5,626	5,594	6,913	7,268	5,376	5,068	8,405
Loans and Advances	293	321	18	39	49	356	420	520	641
Other Current Asset	1,218	1,818	4,200	5,297	5,173	9,715	10,820	12,342	14,125
Curr. Liability & Prov.	13,474	15,175	20,095	28,478	29,060	40,012	46,815	57,153	69,592
Account Payables	11,058	13,169	17,021	23,039	21,671	31,703	37,492	46,396	57,145
Other Current Liabilities	2,288	1,864	2,888	5,216	7,090	7,973	8,926	10,265	11,842
Provisions	128	141	186	223	300	336	397	492	605
Net Current Assets	4,339	7,717	11,306	10,997	7,175	11,378	10,070	10,610	14,956
Appl. of Funds	15,515	20,670	29,001	33,924	36,841	44,253	48,565	54,603	63,427

Financials and valuations

Ratios									
Y/E Mar	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS	50.4	24.2	32.4	46.7	39.4	72.0	90.4	158.0	224.9
Cash EPS	77.3	51.6	64.4	87.9	94.8	139.5	164.2	247.0	329.0
BV/Share	358.8	476.1	514.7	566.5	612.7	675.8	1,027.1	1,185.1	1,410.0
DPS	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)									
P/E	143.6	298.6	223.2	155.0	183.4	100.4	80.0	45.8	32.2
Cash P/E	93.5	140.1	112.2	82.2	76.3	51.8	44.0	29.3	22.0
P/BV	20.2	15.2	14.1	12.8	11.8	10.7	7.0	6.1	5.1
EV/Sales	5.8	8.1	5.9	3.6	3.7	2.6	2.2	1.8	1.4
EV/EBITDA	74.2	110.9	90.2	60.2	51.0	33.6	28.8	20.8	15.5
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	46.8	14.8	-49.6	-98.8	168.3	45.9	-18.9	35.9	140.7
Return Ratios (%)									
RoE	15.0	6.0	6.5	8.6	6.7	11.2	10.8	14.3	17.3
RoCE	15.0	6.6	6.1	8.2	7.8	11.1	11.3	14.9	18.1
RoIC	14.7	5.8	6.7	9.1	8.5	12.7	12.5	16.3	20.2
Working Capital Ratios									
Fixed Asset Turnover (x)	2.9	2.1	2.3	2.7	2.1	2.8	2.7	2.8	3.0
Asset Turnover (x)	2.6	1.5	1.5	2.0	1.8	2.3	2.4	2.7	2.8
Inventory (Days)	60	86	73	58	46	61	61	61	61
Debtor (Days)	79	129	114	93	85	64	64	64	64
Creditor (Days)	102	159	148	121	118	116	116	116	116
Leverage Ratio (x)									
Current Ratio	1.3	1.5	1.6	1.4	1.2	1.3	1.2	1.2	1.2
Interest Cover Ratio	5.4	3.1	3.6	2.5	1.8	2.6	3.2	7.0	9.6
Net Debt/Equity	0.2	0.0	0.1	0.3	0.3	0.4	0.1	0.1	0.0

Consolidated - Cashflow Statement									
(INR m)									
Y/E Mar	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	1,907	1,201	1,543	2,197	1,913	3,700	4,879	8,328	11,861
Depreciation	848	923	1,079	1,391	1,865	2,283	2,588	3,121	3,653
Interest & Finance Charges	419	406	464	1,118	1,670	2,087	2,012	1,331	1,339
Direct Taxes Paid	-488	-79	-539	-539	-461	-710	-1,567	-2,290	-3,036
(Inc)/Dec in WC	44	-80	-62	-582	5,032	272	-475	-730	-881
CF from Operations	2,731	2,371	2,485	3,585	10,019	7,632	7,437	9,760	12,935
Others	151	-162	-77	-379	-371	-523	0	0	0
CF from Operating incl EO	2,882	2,210	2,407	3,206	9,648	7,109	7,437	9,760	12,935
(Inc)/Dec in FA	-1,411	-1,711	-4,077	-6,535	-3,977	-5,556	-8,100	-8,500	-8,000
Free Cash Flow	1,471	499	-1,670	-3,329	5,671	1,553	-663	1,260	4,935
(Pur)/Sale of Investments	-1,672	-1,568	-1,542	210	788	-159	0	0	0
Others	-183	-1,531	-1,277	1,437	-7,156	-3,814	-109	-118	-127
CF from Investments	-3,266	-4,810	-6,896	-4,888	-10,345	-9,529	-8,209	-8,618	-8,127
Issue of Shares	0	3,936	0	0	0	353	13	0	0
Inc/(Dec) in Debt	1,209	161	6,031	3,120	589	5,067	-9,000	0	0
Interest Paid	-430	-372	-430	-1,097	-1,567	-1,970	-2,012	-1,331	-1,339
Dividend Paid	-121	0	0	0	0	0	0	0	0
Others	-23	-24	-46	-96	-238	-221	9,987	0	0
CF from Fin. Activity	634	3,700	5,555	1,928	-1,216	3,229	-1,012	-1,331	-1,339
Inc/Dec of Cash	250	1,099	1,066	246	-1,913	809	-1,784	-189	3,469
Opening Balance	450	700	1,920	2,986	3,232	1,319	7,268	5,376	5,068
Other Bank Balances	503	1,100	2,640	2,363	5,594	5,140	-108	-119	-132
Closing Balance	1,203	2,899	5,626	5,594	6,913	7,268	5,376	5,068	8,405

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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

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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. AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. 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.