

# Polycab India | BUY

## Macro tailwinds in play, outlook robust

Polycab's 1Q performance was a beat on all fronts. While 33% YoY growth in the C&W business was a key highlight, the FMEG portfolio also reported steady growth and improved profitability (revenue +18% YoY, EBITDA margin at 4.2%, +250bps YoY). The C&W business benefitted from increased government expenditure and rising commodity prices, while the FMEG business maintained its growth momentum owing to demand from real estate. Another key highlight was the ramp-up in the high-margin export business, +24% YoY. For all businesses, the outlook also appears robust, supported by macro tailwinds and capacity expansion in C&W, the right strategy and real estate demand in FMEG, and a healthy order book with large orders expected to open for bidding in EPC. We increase our FY26/27E EPS estimates by 3%, and maintain BUY with a revised target price of INR 8,000 (INR 7,900 earlier) set at 42x Jun'27E EPS.

- **1Q an overall beat, PAT +50% YoY:** 1Q revenue at INR 59bn, +26% YoY, was a 2% beat on our estimate and a 5% beat on consensus estimates. EBITDA rose 47% YoY to INR 8.6bn, (12/15% beat on our/consensus estimates) driven by strong revenue growth, lower operating expenses and an operating-leverage-led 210bps YoY expansion in margins (14.5%, +120bps higher vs. our and consensus estimate). In this quarter, project bought-out costs was lower at INR 1.8bn vs. INR 2.8bn YoY, which aided margins. PAT stood at INR 6bn, +50% YoY; 13% ahead of our estimate and a 16% beat on consensus expectations for the quarter.
- **Strong revenue growth in C&W and FMEG:** Polycab's strong 1Q performance was driven by strong growth in both the C&W and FMEG businesses. The C&W business reported 33% YoY growth (domestic +34% YoY) aided by increased government expenditure, spend on infrastructure and rising commodity prices. C&W exports grew 24% YoY growth, over a weak base. Polycab's 1Q C&W EBITDA margin also expanded by 210bps, one key driver of which, we believe, is the growth in exports. The FMEG business also saw sustained growth momentum with improved profitability. This vertical registered 18% YoY growth, +2x growth in solar offsetting a weak quarter for fans. The FMEG EBITDA margin stood at 4.2% vs. 1.7% YoY.
- **Robust outlook in all businesses:** Polycab seems to be in for exciting times with a robust outlook in all businesses. (1) In the C&W business, government expenditure is picking up and should aid demand for cables. Further, the increase in the market share of organised players should also continue as they augment their capacities and capabilities. In exports, Indian manufacturers continue to be preferred over Chinese suppliers given better quality and new capacities should place Indian manufacturers in good stead to compete globally. (2) In FMEG, relevant efforts on premiumisation, an improved product portfolio and promotion should drive growth and constant improvement in profitability, further supported by a macro tailwind in terms of real estate demand. (3) In the EPC business, the order book is strong at INR 80bn, executable over 3 years with several large orders expected to come up for bidding.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,80,394	2,24,083	2,63,591	3,10,526	3,64,095
Sales Growth (%)	27.9	24.2	17.6	17.8	17.3
EBITDA	24,918	29,602	34,004	40,501	46,681
EBITDA Margin (%)	13.8	13.2	12.9	13.0	12.8
Adjusted Net Profit	17,840	20,200	23,185	27,620	32,012
Diluted EPS (INR)	118.7	134.5	154.3	183.8	213.1
Diluted EPS Growth (%)	40.0	13.2	14.8	19.1	15.9
ROIC (%)	31.5	29.7	27.3	27.2	27.3
ROE (%)	24.1	22.4	21.7	22.0	21.5
P/E (x)	58.0	51.2	44.6	37.5	32.3
P/B (x)	12.6	10.5	9.0	7.6	6.4
EV/EBITDA (x)	40.6	34.1	29.7	24.8	21.3
Dividend Yield (%)	0.4	0.5	0.6	0.6	0.7

Source: Company data, JM Financial. Note: Valuations as of 18/Jul/2025



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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	8,000
Upside/(Downside)	15.5%
Previous Price Target	7,900
Change	1.3%

### Key Data – POLYCAB IN

Current Market Price	INR6,926
Market cap (bn)	INR1,042.4/US\$12.1
Free Float	34%
Shares in issue (mn)	150.2
Diluted share (mn)	150.2
3-mon avg daily val (mn)	INR2,382.2/US\$27.6
52-week range	7,607/4,555
Sensex/Nifty	81,758/24,968
INR/US\$	86.2

### Price Performance

%	1M	6M	12M
Absolute	15.6	2.2	5.7
Relative*	16.6	-5.2	4.2

\* To the BSE Sensex

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

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

## Key highlights from results concall

### Cables & wires business

- C&W business saw strong growth from industry tailwinds resulting from infrastructure spending, and government capex. Incremental support was from an inflationary raw material scenario. Copper prices were not too volatile throughout the quarter, and majorly highlighted a linear trend, which made passing on cost increases easier. Growth in cables was significantly higher than wires during the quarter. Within cables, both the channel and institutional segments witnessed strong traction.
- Currently experiencing no slowdown with government spending heavily, which in turn is generating demand for cables, whereas w.r.t. wires, tier 3 and lower cities are seeing more demand as residential cycle is picking up while tier 1 and 2 cities are witnessing some slowdown.
- Geographically, within India, growth was led by demand in the southern region, followed by the East, North and lastly, the West.
- Movement from unorganised to organised is being driven by higher capacities and SKUs with organised players. This is contributing to market share gains in the C&W segment.
- EHV capacity that Polycab is building is fungible, and that capacity can be used to manufacture LV and MV cables as well.

### Comments on export opportunity

- Impact in US of the tariff measures is expected to ease over the long term. However, cannot rule out issues w.r.t shorter term visibility. In 1Q, exports to US constituted 33% of total export revenue.
- US and Europe are not too inclined towards importing from China. They remain aware of the higher manufacturing costs and the resulting superior quality of Indian products and are willing to pay a premium over Chinese manufactured goods for Indian products. However, Australia remains more price sensitive and here, due to a favourable duty structure, Chinese exports have an edge over India's. In the Middle Eastern countries, demand is growing very fast and hence there is enough and more room for both Indian and Chinese players to register good growth.
- Top global players were impacted due to US shutting down renewable energy investments. This may result in them dumping into other countries. But do not expect a material impact on Polycab's business as the big global players are have focused on HV and EHV exports, whereas, Polycab's exports currently are heavy on MV and LV cables, wherein competition is from Chinese players.

### FMEG business

- Good demand momentum from the real estate sector. Further, seeing improvement in macro data which is suggesting gradual improvement in consumer expenditure.
- Within the FMEG business: (1) Premium fans segment now constitutes 25% to total fans revenue; (2) Premium light segment contributes 35% to total lights revenue; (3) Premium switches and switchgear contributes 35% to total lights revenue; and (4) Solar recorded 2x growth and this momentum is expected to continue due to higher government spending and renewable energy gaining traction.
- Targets in FMEG vertical: (1) 8-10% EBITDA margin by FY30; (2) Target to be in the top 3 across different categories; and (3) Plan is to grow at 1.5x to 2x of industry (industry growth expected at 8%).
- For solar products, in house manufacturing is zero, and the strategy is to continue to outsource (this is the only FMEG product, which is outsourced, everything else is in house manufacturing). Solar product demand is aided by the Centre's solar rooftop solar schemes as well as state schemes supporting the same, with states like Maharashtra, Rajasthan, and Gujarat driving demand. Solar segment growth was not one-off and short to mid-term growth remains sacrosanct as the solar schemes continue to boost growth

## EPC Business

- Open order book in the EPC business remains healthy at INR 80bn (excluding GST) which has an executable period of 3 years. However, contribution from EPC will be limited to 10% of total revenue.
- In BharatNet, Polycab has won 2 orders out of total 16 which are expected to be rolled out. Several new orders are also expected to open for bidding. Margins here hover around 12-14%, and working capital requirements are minimal with occurrences of delayed payments being limited.
- As far as RDSS orders are concerned, margins are in high teens. Here, new tenders have opened and Polycab is likely to apply for those.

## Comments on margins

- The improvement in margins was owing to pricing revisions given commodity price inflation, improved operational efficiency, and a favourable business mix (lower share of EPC and growth in exports). Further, what contributed to an improved margin profile was a premiumisation-led improvement in FMEG margins.
- Incrementally, the net working capital is also expected to normalise to 50-55 days, which is the normalised level.
- A&P spend was low in the quarter, owing to lesser promotional events throughout the quarter. However, spending on A&P will remain at an uptrend as part of the strategy and are expected to hover around 5-6% of the B2C vertical.
- Long-term EBITDA margin guidance stays at 11-13%.

## Guidance of Capex

- Capex plan for FY26 and FY27 will be according to Project Spring guidance, majorly for C&W, some for backward integration, and some for FMEG.
- For 1QFY26, capex was almost fully on C&W while some part was on backward integration.

**Exhibit 1. Polycab - 1QFY26 results review**

(INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q1FY26E
<b>Net Revenue</b>	<b>38,894</b>	<b>42,177</b>	<b>43,405</b>	<b>55,919</b>	<b>1,80,394</b>	<b>46,980</b>	<b>54,984</b>	<b>52,261</b>	<b>69,858</b>	<b>2,24,083</b>	<b>59,060</b>	<b>57,785</b>
<b>YoY</b>	<b>42%</b>	<b>27%</b>	<b>17%</b>	<b>29%</b>	<b>28%</b>	<b>21%</b>	<b>30%</b>	<b>20%</b>	<b>25%</b>	<b>24%</b>	<b>26%</b>	<b>23%</b>
Raw Material Costs	(28,292)	(30,339)	(30,578)	(38,851)	(1,28,060)	(32,569)	(38,953)	(36,074)	(48,136)	(1,55,731)	(41,423)	(39,814)
<b>Gross Profit</b>	<b>10,602</b>	<b>11,838</b>	<b>12,827</b>	<b>17,068</b>	<b>52,335</b>	<b>14,411</b>	<b>16,032</b>	<b>16,186</b>	<b>21,722</b>	<b>68,351</b>	<b>17,637</b>	<b>17,971</b>
<b>Gross Profit margin %</b>	<b>27.3%</b>	<b>28.1%</b>	<b>29.6%</b>	<b>30.5%</b>	<b>29.0%</b>	<b>30.7%</b>	<b>29.2%</b>	<b>31.0%</b>	<b>31.1%</b>	<b>30.5%</b>	<b>29.9%</b>	<b>31.1%</b>
Employee Cost	(1,349)	(1,557)	(1,494)	(1,696)	(6,095)	(1,539)	(1,803)	(1,989)	(2,036)	(7,367)	(2,189)	(1,935)
% of sales	3.5%	3.7%	3.4%	3.0%	3.4%	3.3%	3.3%	3.8%	2.9%	3.3%	3.7%	3.3%
Other expenses	(3,767)	(4,192)	(5,638)	(7,757)	(21,354)	(7,039)	(7,913)	(6,998)	(9,432)	(31,382)	(6,872)	(8,351)
% of sales	9.7%	9.9%	13.0%	13.9%	11.8%	15.0%	14.4%	13.4%	13.5%	14.0%	11.6%	14.5%
<b>EBITDA</b>	<b>5,486</b>	<b>6,089</b>	<b>5,695</b>	<b>7,615</b>	<b>24,885</b>	<b>5,834</b>	<b>6,316</b>	<b>7,199</b>	<b>10,254</b>	<b>29,602</b>	<b>8,576</b>	<b>7,685</b>
<b>YoY</b>	<b>76%</b>	<b>42%</b>	<b>13%</b>	<b>25%</b>	<b>34%</b>	<b>6%</b>	<b>4%</b>	<b>26%</b>	<b>35%</b>	<b>19%</b>	<b>47%</b>	<b>32%</b>
<b>EBITDA margin%</b>	<b>14.1%</b>	<b>14.4%</b>	<b>13.1%</b>	<b>13.6%</b>	<b>13.8%</b>	<b>12.4%</b>	<b>11.5%</b>	<b>13.8%</b>	<b>14.7%</b>	<b>13.2%</b>	<b>14.5%</b>	<b>13.3%</b>
Total D&A Expense	(571)	(603)	(619)	(657)	(2,450)	(671)	(721)	(786)	(804)	(2,981)	(857)	(800)
<b>EBIT</b>	<b>4,914</b>	<b>5,486</b>	<b>5,076</b>	<b>6,958</b>	<b>22,435</b>	<b>5,162</b>	<b>5,595</b>	<b>6,414</b>	<b>9,450</b>	<b>26,621</b>	<b>7,719</b>	<b>6,885</b>
<b>YoY</b>	<b>89%</b>	<b>46%</b>	<b>12%</b>	<b>25%</b>	<b>37%</b>	<b>5%</b>	<b>2%</b>	<b>26%</b>	<b>36%</b>	<b>19%</b>	<b>50%</b>	<b>33%</b>
<b>EBIT margin%</b>	<b>12.6%</b>	<b>13.0%</b>	<b>11.7%</b>	<b>12.4%</b>	<b>12.4%</b>	<b>11.0%</b>	<b>10.2%</b>	<b>12.3%</b>	<b>13.5%</b>	<b>11.9%</b>	<b>13.1%</b>	<b>11.9%</b>
Other Income	640	353	710	538	2,241	584	762	250	481	2,076	799	490
Finance Costs	(249)	(268)	(322)	(244)	(1,083)	(413)	(453)	(498)	(325)	(1,689)	(513)	(350)
<b>PBT</b>	<b>5,305</b>	<b>5,572</b>	<b>5,464</b>	<b>7,253</b>	<b>23,593</b>	<b>5,333</b>	<b>5,903</b>	<b>6,166</b>	<b>9,606</b>	<b>27,008</b>	<b>8,006</b>	<b>7,025</b>
<b>YoY</b>	<b>79%</b>	<b>55%</b>	<b>13%</b>	<b>25%</b>	<b>37%</b>	<b>1%</b>	<b>6%</b>	<b>13%</b>	<b>32%</b>	<b>14%</b>	<b>50%</b>	<b>32%</b>
Income Tax Expense	(1,277)	(1,274)	(1,299)	(1,718)	(5,567)	(1,317)	(1,451)	(1,522)	(2,262)	(6,553)	(2,009)	(1,705)
Rate %	24.1%	22.9%	23.8%	23.7%	23.6%	24.7%	24.6%	24.7%	23.5%	24.3%	25.1%	24.3%
<b>Net Profit</b>	<b>4,028</b>	<b>4,298</b>	<b>4,165</b>	<b>5,535</b>	<b>18,026</b>	<b>4,016</b>	<b>4,452</b>	<b>4,643</b>	<b>7,344</b>	<b>20,455</b>	<b>5,997</b>	<b>5,321</b>
Minority Interest	(35)	(42)	(37)	(75)	(189)	(57)	(54)	(68)	(77)	(255)	(76)	(83)
<b>Net Profit to Shareholders</b>	<b>3,993</b>	<b>4,256</b>	<b>4,128</b>	<b>5,460</b>	<b>17,837</b>	<b>3,959</b>	<b>4,398</b>	<b>4,576</b>	<b>7,267</b>	<b>20,200</b>	<b>5,921</b>	<b>5,238</b>
<b>YoY</b>	<b>81.7%</b>	<b>58.9%</b>	<b>15.4%</b>	<b>28.5%</b>	<b>40.5%</b>	<b>-0.8%</b>	<b>3.3%</b>	<b>10.8%</b>	<b>33.1%</b>	<b>13.2%</b>	<b>50%</b>	<b>32.3%</b>
<b>Net Margin%</b>	<b>10.3%</b>	<b>10.1%</b>	<b>9.5%</b>	<b>9.8%</b>	<b>9.9%</b>	<b>8.4%</b>	<b>8.0%</b>	<b>8.8%</b>	<b>10.4%</b>	<b>9.0%</b>	<b>10.0%</b>	<b>9.1%</b>

Source: Company, JM Financial

**Exhibit 2. Polycab – 1QFY26 segmental revenue mix**

(INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
<b>C&amp;W</b>	<b>34,874</b>	<b>37,401</b>	<b>38,730</b>	<b>48,486</b>	<b>1,59,490</b>	<b>38,572</b>	<b>46,067</b>	<b>43,982</b>	<b>59,201</b>	<b>1,87,822</b>	<b>51,312</b>
C&W domestic	31,428	33,462	36,045	44,195	1,45,130	36,105	42,703	39,637	55,926	1,74,371	48,251
YoY	42%	35%	18%	30%	30%	15%	28%	10%	27%	20%	34%
C&W exports	3,445	3,939	2,685	4,291	14,360	2,467	3,364	4,345	3,275	13,452	3,061
YoY	88%	-11%	22%	-20%	4%	-28%	-15%	62%	-24%	-6%	24%
<b>FMEG</b>	<b>3,130</b>	<b>3,280</b>	<b>2,883</b>	<b>3,536</b>	<b>12,828</b>	<b>3,794</b>	<b>3,881</b>	<b>4,169</b>	<b>4,692</b>	<b>16,536</b>	<b>4,459</b>
<b>EPC</b>	<b>1,227</b>	<b>1,608</b>	<b>2,164</b>	<b>4,108</b>	<b>9,107</b>	<b>4,815</b>	<b>5,488</b>	<b>3,918</b>	<b>6,028</b>	<b>20,249</b>	<b>3,474</b>
<b>YoY revenue growth</b>											
C&W	46%	28%	18%	23%	27%	11%	23%	14%	22%	18%	33%
FMEG	3%	8%	-15%	17%	3%	21%	18%	45%	33%	29%	18%
EPC	63%	95%	118%	305%	154%	292%	241%	81%	47%	122%	-28%
<b>Revenue share</b>											
C&W	89%	88%	88%	86%	88%	82%	83%	84%	85%	84%	87%
FMEG	8%	8%	7%	6%	7%	8%	7%	8%	7%	7%	8%
EPC	3%	4%	5%	7%	5%	10%	10%	8%	9%	9%	6%

Source: Company, JM Financial

**Exhibit 3. Polycab – 1QFY26 geographical revenue mix**

(INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
Exports	3,445	3,939	2,685	4,291	14,360	2,467	3,364	4,345	3,275	13,452	3,061
Domestic	35,449	38,238	40,720	51,628	1,66,035	44,513	51,620	47,916	66,583	2,10,631	55,999
<b>YoY revenue growth</b>											
Exports	88%	-11%	22%	-20%	4%	-28%	-15%	62%	-24%	-6%	24%
Domestic	39%	32%	17%	36%	30%	26%	35%	18%	29%	27%	26%
<b>Revenue share</b>											
Exports Revenue	8.9%	9.3%	6.2%	7.7%	8.0%	5.3%	6.1%	8.3%	4.7%	6.0%	5.2%
Domestic Revenue	91.1%	90.7%	93.8%	92.3%	92.0%	94.7%	93.9%	91.7%	95.3%	94.0%	94.8%

Source: Company, JM Financial

**Exhibit 4. Polycab – segmental EBITDA and margins**

(INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
<b>Segment EBITDA</b>											
C&W	5,714	6,008	5,958	7,963	25,643	5,429	6,269	6,677	9,699	28,074	8,301
FMEG	15	5	(279)	(355)	(614)	63	(159)	(30)	86	(40)	189
EPC	192	187	388	219	986	543	658	361	532	2,093	273
<b>Segment EBITDA Margin</b>											
C&W	16.4%	16.1%	15.4%	16.4%	16.1%	14.1%	13.6%	15.2%	16.4%	14.9%	16.2%
FMEG	0.5%	0.2%	-9.7%	-10.0%	-4.8%	1.7%	-4.1%	-0.7%	1.8%	-0.2%	4.2%
EPC	15.7%	11.6%	17.9%	5.3%	10.8%	11.3%	12.0%	9.2%	8.8%	10.3%	7.9%

Source: Company, JM Financial

**Exhibit 5. Polycab – working capital cycle trend**

No. of Days	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
Receivable Days	30	29	31	33	33	38	39	41	34	34	40
Inventory Days	82	74	79	60	60	84	71	76	48	48	69
Payables Days	40	41	49	47	47	53	63	58	36	36	60
<b>Working Capital cycle</b>	73	62	62	47	47	69	46	60	46	46	49

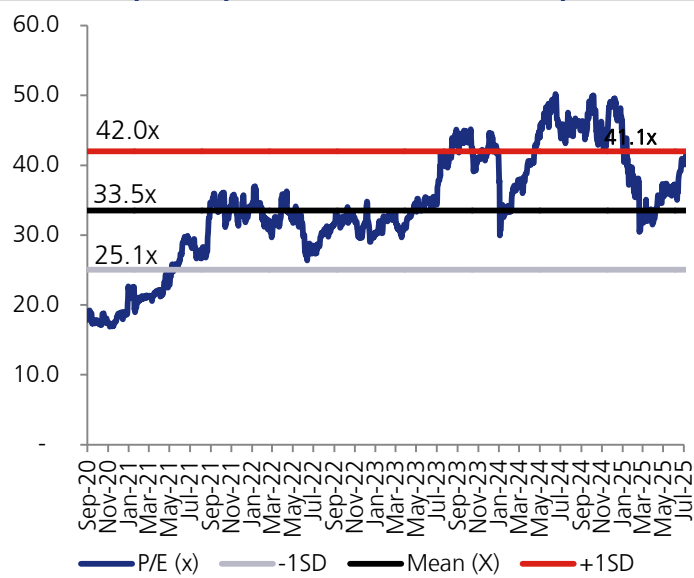
Source: Company, JM Financial

**Exhibit 6. Polycab EPS Revision table**

(INR mn)	FY26E	FY27E	FY28E
<b>Revenue</b>			
Old	2,61,016	3,05,106	3,57,409
New	2,63,591	3,10,526	3,64,095
Change	1.0%	1.8%	1.9%
<b>EBITDA</b>			
Old	32,771	38,937	46,212
New	34,004	40,501	46,681
Change	3.8%	4.0%	1.0%
<b>EBITDA Margin %</b>			
Old	12.6%	12.8%	12.9%
New	12.9%	13.0%	12.8%
Change	2.7%	2.2%	-0.8%
<b>PAT</b>			
Old	22,527	26,847	31,923
New	23,185	27,620	32,012
Change	2.9%	2.9%	0.3%
<b>EPS</b>			
Old	149.9	178.7	212.5
New	154.3	183.8	213.1
Change	2.9%	2.9%	0.3%

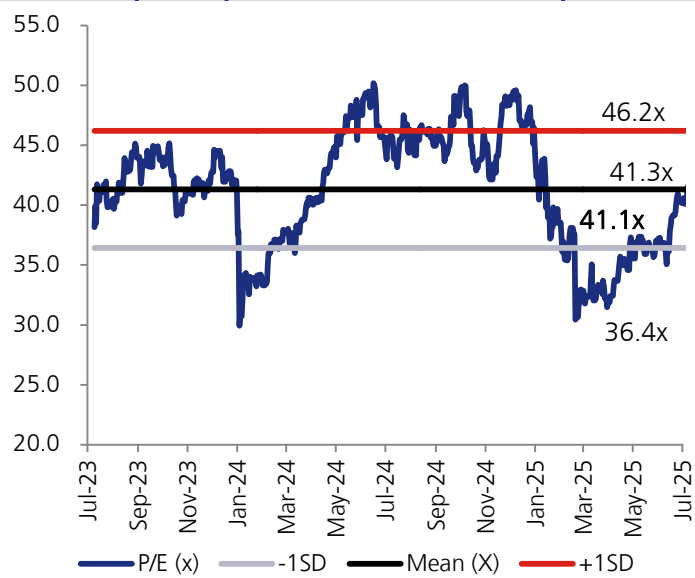
Source: Company, JM Financial

Exhibit 7. Polycab - 1-yr forward P/E band chart (last 5 years)



Source: Bloomberg, JM Financial

Exhibit 8. Polycab - 1-yr forward P/E band chart (last 2 years)



Source: Bloomberg, JM Financial

## Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,80,394	2,24,083	2,63,591	3,10,526	3,64,095
Sales Growth	27.9%	24.2%	17.6%	17.8%	17.3%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>1,80,394</b>	<b>2,24,083</b>	<b>2,63,591</b>	<b>3,10,526</b>	<b>3,64,095</b>
Cost of Goods Sold/Op. Exp	1,28,060	1,55,731	1,83,188	2,15,807	2,53,036
Personnel Cost	6,095	7,367	8,288	9,324	10,490
Other Expenses	21,321	31,382	38,110	44,894	53,888
<b>EBITDA</b>	<b>24,918</b>	<b>29,602</b>	<b>34,004</b>	<b>40,501</b>	<b>46,681</b>
EBITDA Margin	13.8%	13.2%	12.9%	13.0%	12.8%
EBITDA Growth	34.5%	18.8%	14.9%	19.1%	15.3%
Depn. & Amort.	2,450	2,981	3,726	4,555	5,248
EBIT	22,468	26,621	30,279	35,945	41,433
Other Income	2,209	2,076	2,224	2,374	2,500
Finance Cost	1,083	1,689	1,472	1,353	1,145
PBT before Excep. & Forex	23,593	27,008	31,031	36,966	42,788
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	23,593	27,008	31,031	36,966	42,788
Taxes	5,564	6,553	7,541	8,983	10,355
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	189	255	305	364	422
Reported Net Profit	17,840	20,200	23,185	27,620	32,012
<b>Adjusted Net Profit</b>	<b>17,840</b>	<b>20,200</b>	<b>23,185</b>	<b>27,620</b>	<b>32,012</b>
Net Margin	9.9%	9.0%	8.8%	8.9%	8.8%
Diluted Share Cap. (mn)	150.2	150.2	150.2	150.2	150.2
<b>Diluted EPS (INR)</b>	<b>118.7</b>	<b>134.5</b>	<b>154.3</b>	<b>183.8</b>	<b>213.1</b>
Diluted EPS Growth	40.0%	13.2%	14.8%	19.1%	15.9%
Total Dividend + Tax	4,500	5,258	6,310	6,610	6,911
Dividend Per Share (INR)	30.0	35.0	42.0	44.0	46.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	12,277	13,647	15,645	18,637	21,657
Depn. & Amort.	2,450	2,981	3,726	4,555	5,248
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	6,240	3,535	11,601	8,647	9,808
Others	-6,916	-516	-15,661	-8,312	-9,262
Taxes Paid	6	370	0	0	0
<b>Operating Cash Flow</b>	<b>14,057</b>	<b>20,016</b>	<b>15,310</b>	<b>23,528</b>	<b>27,452</b>
Capex	-7,670	-11,033	-10,000	-10,000	-11,000
Free Cash Flow	6,387	8,983	5,310	13,528	16,452
Inc (-) / Dec in Investments	-5,482	707	0	0	0
Others	-1,437	-2,555	-205	-216	-227
<b>Investing Cash Flow</b>	<b>-14,589</b>	<b>-12,881</b>	<b>-10,205</b>	<b>-10,216</b>	<b>-11,227</b>
Inc / Dec (-) in Capital	5	2	0	0	0
Dividend + Tax thereon	-4,500	-5,258	-6,310	-6,610	-6,911
Inc / Dec (-) in Loans	-304	113	15	-295	-195
Others	2,403	1,691	305	364	422
<b>Financing Cash Flow</b>	<b>-2,396</b>	<b>-3,452</b>	<b>-5,990</b>	<b>-6,542</b>	<b>-6,684</b>
<b>Inc / Dec (-) in Cash</b>	<b>-2,929</b>	<b>3,683</b>	<b>-885</b>	<b>6,770</b>	<b>9,541</b>
Opening Cash Balance	6,952	4,024	7,706	6,821	13,591
Closing Cash Balance	4,024	7,706	6,821	13,591	23,132

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	81,871	98,250	1,15,125	1,36,135	1,61,236
Share Capital	1,502	1,504	1,504	1,504	1,504
Reserves & Surplus	80,369	96,746	1,13,621	1,34,630	1,59,731
Preference Share Capital	0	0	0	0	0
Minority Interest	562	818	1,123	1,487	1,908
Total Loans	1,611	1,724	1,739	1,444	1,249
Def. Tax Liab. / Assets (-)	415	785	785	785	785
<b>Total - Equity &amp; Liab.</b>	<b>84,459</b>	<b>1,01,577</b>	<b>1,18,772</b>	<b>1,39,850</b>	<b>1,65,178</b>
Net Fixed Assets	27,622	35,093	41,368	46,812	52,564
Gross Fixed Assets	35,152	43,894	54,894	65,894	77,894
Intangible Assets	160	98	98	98	98
Less: Depn. & Amort.	13,474	15,980	19,706	24,261	29,509
Capital WIP	5,784	7,081	6,081	5,081	4,081
Investments	18,987	18,281	18,281	18,281	18,281
Current Assets	74,051	84,113	98,610	1,19,676	1,45,489
Inventories	36,751	36,613	46,941	55,299	64,839
Sundry Debtors	20,471	25,963	30,540	35,978	42,185
Cash & Bank Balances	4,024	7,706	6,821	13,591	23,132
Loans & Advances	3,060	0	0	0	0
Other Current Assets	9,745	13,831	14,308	14,808	15,333
Current Liab. & Prov.	36,201	35,910	39,485	44,919	51,155
Current Liabilities	30,195	29,062	32,757	38,287	44,598
Provisions & Others	6,006	6,848	6,728	6,632	6,558
Net Current Assets	37,850	48,203	59,124	74,758	94,333
<b>Total - Assets</b>	<b>84,459</b>	<b>1,01,577</b>	<b>1,18,772</b>	<b>1,39,850</b>	<b>1,65,178</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	9.9%	9.0%	8.8%	8.9%	8.8%
Asset Turnover (x)	2.3	2.4	2.4	2.4	2.4
Leverage Factor (x)	1.1	1.1	1.1	1.0	1.0
RoE	24.1%	22.4%	21.7%	22.0%	21.5%

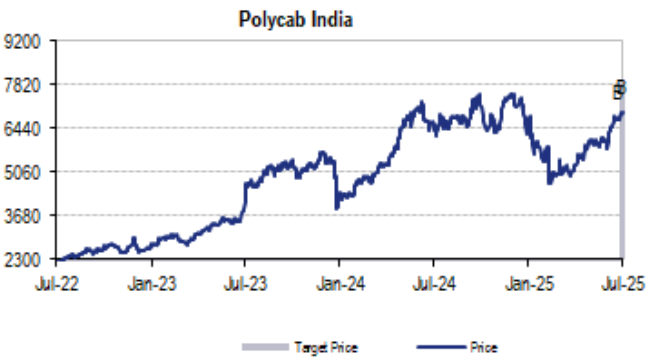
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	545.0	654.0	766.3	906.1	1,073.2
ROIC	31.5%	29.7%	27.3%	27.2%	27.3%
ROE	24.1%	22.4%	21.7%	22.0%	21.5%
Net Debt/Equity (x)	-0.3	-0.2	-0.2	-0.2	-0.2
P/E (x)	58.0	51.2	44.6	37.5	32.3
P/B (x)	12.6	10.5	9.0	7.6	6.4
EV/EBITDA (x)	40.6	34.1	29.7	24.8	21.3
EV/Sales (x)	5.6	4.5	3.8	3.2	2.7
Debtor days	41	42	42	42	42
Inventory days	74	60	65	65	65
Creditor days	67	51	49	49	49

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
12-Jul-25	Buy	7,900	
17-Jul-25	Buy	7,900	0.0

Recommendation History





## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

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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.
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