13 November 2025

2QFY26 Results Update | Sector: Automobile

Endurance Technologies

Estimate changes	↓
TP change	⟷
Rating change	⟷

Bloomberg	ENDU IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	378.6 / 4.3
52-Week Range (INR)	3080 / 1556
1, 6, 12 Rel. Per (%)	-8/20/2
12M Avg Val (INR M)	418

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	144.3	163.4	186.2
EBITDA	19.6	22.4	25.9
Adj. PAT	9.5	11.5	13.7
EPS (INR)	67.4	81.5	97.1
EPS Growth (%)	14.7	20.8	19.2
BV/Share (INR)	460.9	526.9	605.5
Ratios			
Net Debt/Equity	0.0	-0.1	-0.2
RoE (%)	15.6	16.5	17.2
RoCE (%)	14.6	15.5	16.4
Payout (%)	19.3	19.0	19.0
Valuations			
P/E (x)	39.9	33.0	27.7
P/BV (x)	5.8	5.1	4.4
EV / EBITDA (x)	19.7	17.1	14.8
Div. Yield (%)	0.5	0.6	0.7

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	75.0	75.0	75.0
DII	9.1	9.5	13.6
FII	13.8	13.5	9.5
Others	2.1	1.9	1.9

FII includes depository receipts

CMP: INR2,692 TP: INR3,215 (+19%) Buy

Healthy operational performance across segments

Close to securing an entry in 4W suspensions

- Endurance Technologies (ENDU) delivered an in-line operational performance in 2QFY26. PAT miss was largely driven by higher-than-expected depreciation and a higher tax rate in 2Q.
- We estimate a CAGR of ~17%/19%/18% in consolidated revenue/EBITDA/PAT over FY25-28 on account of healthy new order wins and its focus on ramping up presence in 4Ws in a meaningful way going forward. If ABS were to be mandated in all 2Ws as per the draft notification issued by MORTH, it would open up a huge growth opportunity for players like ENDU. The stock trades at 40x/33x FY26E/FY27E consolidated EPS. **We reiterate our BUY rating with a TP of INR3,215 (based on 36x Sep'27E consolidated EPS).**

Margins in line; PAT miss due to higher depreciation and taxes

- 2QFY26 consolidated revenue grew 23% YoY to INR35.8b (in line with estimates), driven by ~17% YoY growth in the standalone (India) business (outperforming industry sales growth of 9.5%) and ~47.1% YoY growth in Europe (in INR; +33% in EUR terms), aided by the Stoferle acquisition and tooling sales. Organic growth in Europe is expected to be in line with the EU new car registration growth of 7.7% in 2Q. Maxwell revenue witnessed a 1.3x increase YoY (over a low base) to INR440m.
- **Standalone performance**: Standalone EBITDA margin contracted 100bp YoY to 12% (below our estimate of 13%), impacted by rising aluminum alloy prices. However, given the higher-than-expected revenue growth, EBITDA was in line with our estimate at INR3.2b.
- **Europe performance**: The European business witnessed strong growth from new hybrid/EV orders, a favorable mix, and the Stoferle consolidation. Europe EBITDA margin expanded 180bp YoY to 17.8%.
- **Maxwell performance**: Maxwell's revenue surge was led by higher volumes from key OEMs, new BMS variants, and early traction in battery pack orders. Maxwell reported a positive EBITDA of INR19m in 2Q vs a loss of INR17m YoY.
- Consolidated PAT grew 12% YoY to INR2.3b (below estimates of INR2.5b). PAT came below expectations due to lower-than-expected other income, higher depreciation, and a higher tax rate in 2Q. PAT growth in 2Q was supported largely by inorganic growth (Europe PAT growth at 52.2% YoY). On the other hand, while standalone PAT grew 1.5% YoY to INR1.9b, Maxwell reported a reduced loss at INR9.5m vs a loss of INR44m in 2QFY25.

Research analyst - Aniket Mhatre (Aniket.Mhatre@MotilalOswal.com)

Highlights from the management commentary

- ENDU's current ABS capacity will be ramped up to 640k units pa by 4QFY26. The company has now ordered another 1.2m units line, which can potentially be operational by 1QFY27. The balance 1.2m units line will be set up based on the timeline of the mandatory ABS regulation to be notified by the authorities.
- 1H order wins for ENDU stood at INR9.1b, which includes INR3b for the Talegaon battery-pack program and INR210m of BMS orders at Maxwell. It has close to INR42.1b worth of RFQs in discussion and expects another INR15b worth of new order wins in the coming 1-1.5 years. H1FY26 Europe order wins stood at EUR12.7m, taking the cumulative five-year order book to EUR242m.
- With support from a Korean technology partner for 4W suspensions, ENDU is close to securing an OEM entry.
- The company has started on-vehicle testing for its 4W driveshaft order with SOP expected in 4QFY26, and is establishing a dedicated assembly line to address increasing 3W and 4W demand. This business is expected to generate INR5b worth of business by FY28.
- It has so far invested INR4.6b in capex in 1H, and its FY26 guidance stands at INR8b for new projects. For Europe, the company has targeted capex of EUR30-32m (having invested EUR in 1H) for FY26.

Valuation and view

- We estimate a CAGR of ~17%/19%/18% in consolidated revenue/EBITDA/PAT over FY25-28 on account of healthy new order wins and its focus on ramping up presence in 4Ws in a meaningful way going forward. If ABS were to be mandated in all 2Ws as per the draft notification issued by MORTH, it would open up a huge growth opportunity for players like ENDU. The stock trades at 40x/33x FY26E/FY27E consolidated EPS. **We reiterate our BUY rating with a TP of INR3,215 (based on 36x Sep'27E consolidated EPS).**

Consolidated - Quarterly

Y/E March	FY25				FY26E				FY25	FY26E	2QE	Var.
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				(%)
Net Sales	**28,255**	**29,127**	**28,592**	**29,635**	**33,189**	**35,828**	**36,505**	**38,762**	**115,608**	**144,284**	**34,702**	**3.2**
YoY Change (%)	15.3	14.4	11.6	11.2	17.5	23.0	27.7	30.8	12.9	24.8	19.1	
EBITDA	**3,741**	**3,820**	**3,725**	**4,225**	**4,439**	**4,768**	**4,950**	**5,449**	**15,511**	**19,607**	**4,651**	**2.5**
Margins (%)	13.2	13.1	13.0	14.3	13.4	13.3	13.6	14.1	13.4	13.6	13.4	
Depreciation	1,288	1,311	1,364	1,424	1,644	1,800	1,825	1,869	5,387	7,138	1,630	
Interest	112	116	115	125	135	137	134	145	468	551	107	
Other Income	339	265	219	346	356	210	240	333	1,170	1,139	290	
PBT before EO expense	**2,680**	**2,658**	**2,466**	**3,022**	**3,016**	**3,041**	**3,231**	**3,769**	**10,825**	**13,057**	**3,204**	
Exceptional Item	0	0	0	-122	0	0	0	0	-122	0	0	
PBT after EO	**2,680**	**2,658**	**2,466**	**3,144**	**3,016**	**3,041**	**3,231**	**3,769**	**10,947**	**13,057**	**3,204**	
Eff. Tax Rate (%)	23.9	23.6	25.2	22.0	24.9	25.3	24.6	24.7	23.6	24.9	23.2	
Adj. PAT	**2,039**	**2,030**	**1,844**	**2,358**	**2,264**	**2,273**	**2,435**	**2,837**	**8,270**	**9,809**	**2,460**	**-7.6**
YoY Change (%)	24.7	31.3	21.1	21.0	11.0	12.0	32.1	20.3	20.7	18.6	21.2	

Standalone Performance

Y/E March	FY25				FY26E				FY25	FY26E	2QE	Var.
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				(%)
Net Sales	**21,204**	**22,995**	**21,773**	**22,490**	**23,346**	**26,782**	**26,127**	**27,566**	**88,461**	**103,821**	**25,294**	**5.9**
YoY Change (%)	16.2	16.5	9.2	9.2	10.1	16.5	20.0	22.6	12.4	17.4	10.0	
RM Cost (% of sales)	64.6	65.2	65.0	64.3	65.2	66.0	65.5	65.3	64.8	65.5	64.8	
Staff Cost (% of sales)	5.1	4.7	5.0	5.0	5.2	4.9	5.0	4.8	4.9	5.0	4.8	
Other Expenses (% of sales)	17.4	17.2	17.5	17.2	17.1	17.2	17.4	17.3	17.3	17.3	17.4	
EBITDA	**2,742**	**2,984**	**2,729**	**3,055**	**2,895**	**3,219**	**3,158**	**3,478**	**11,510**	**12,749**	**3,277**	**-1.8**
Margins (%)	12.9	13.0	12.5	13.6	12.4	12.0	12.1	12.6	13.0	12.3	13.0	
Depreciation	692	727	735	742	814	819	830	853	2,897	3,316	820	
Interest	7	5	7	7	15	23	18	20	26	76	7	
Other Income	142	176	144	204	161	140	150	188	666	639	150	
PBT before EO expense	**2,185**	**2,429**	**2,131**	**2,509**	**2,227**	**2,518**	**2,460**	**2,793**	**9,254**	**9,997**	**2,600**	
Extra-Ord expense	0	0	0	174	0	0	0	0	0	0	0	
Tax Rate (%)	25.5	23.9	26.4	25.5	25.5	25.5	25.0	25.2	24.8	25.3	25.0	
Adj. PAT	**1,629**	**1,848**	**1,569**	**1,871**	**1,658**	**1,876**	**1,845**	**2,089**	**6,960**	**7,468**	**1,950**	**-3.8**
YoY Change (%)	24.8	29.7	18.5	11.9	1.8	1.5	17.6	11.6	17.4	7.3	5.5	
Margins (%)	7.7	8.0	7.2	8.3	7.1	7.0	7.1	7.6	7.9	7.2	7.7	

EU Subs

Y/E March	FY25				FY26E				FY25	FY26E	2QE	Var
EUR m	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				(%)
Net Sales	**80**	**67**	**77**	**80**	**103**	**89**	**98**	**105**	**304**	**395**	**89**	**-0.3**
YoY Change (%)	16.7	6.6	21.2	17.1	28.5	32.6	27.5	31.7	15.5	30.0	33.0	
EBITDA	**13.3**	**10.7**	**12.4**	**14.7**	**18.1**	**15.8**	**17.6**	**19.4**	**50.8**	**70.9**	**15**	**4.6**
Margins (%)	16.6	16.0	16.2	18.4	17.5	17.8	18.0	18.4	16.7	17.9	17.0	

E: MOFSL Estimates

Maxwell

Y/E March	FY25				FY26E				FY25	FY26E	2QE	Var
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				(%)
Net Sales	**34**	**190**	**261**	**210**	**310**	**440**	**480**	**520**	**695**	**1,750**	**330**	**33.3**
YoY Change (%)	-78.8	11.8	37.4	90.9	811.8	131.6	83.9	147.6	10.3	151.8	73.7	
EBITDA	**-42.0**	**-17.0**	**-9.0**	**1.0**	**10.0**	**19.0**	**21.1**	**23.9**	**-67.0**	**74.0**	**11**	**79.2**
Margins (%)	-123.5	-8.9	-3.4	0.5	3.2	4.3	4.4	4.6	-9.6	4.2	3.2	

CONFERENCE CALL

Highlights from the management commentary

Update on ABS and braking systems opportunity

- The current ABS capacity for ENDU will be ramped up to 640k units pa by 4QFY6. The company has now ordered another 1.2m units line, which can potentially be operational by 1QFY27. The balance 1.2m units line will be set up based on the timeline of the mandatory ABS regulation to be notified by the authorities.
- A new integrated disc-brake plant is under setup with SOP targeted in 2QFY27, planned annual output of ~3m disc-brake assemblies and 4m brake discs, and an expanded brakes R&D facility (double the existing size) due by 4QFY26.

Snapshot of order wins

- 1H order wins for ENDU stood at INR9.1b, which includes INR3b for the Talegaon battery-pack program and INR210m of BMS orders at Maxwell. It has close to INR42.1b worth of RFQs in discussion and expects another INR15b worth of new order wins in the coming 1-1.5 years.
- Cumulative EV orders so far (excluding battery packs) stand at INR10.1b; including BAL, they stand at ~INR12b. 1HFY26 EV orders formed ~30% of total wins, vs 49% in FY25 and 5% in FY24.
- 1HFY26 Europe order wins stood at EUR12.7m, taking the cumulative five-year order book to EUR242m. Of these, EUR94m (41%) is for EV and EUR109m (45%) for hybrid applications. ICE's contribution to revenue (~40% in FY25) is expected to reduce to 25% by FY28.

Update on suspensions

- ENDU remains a market leader in 2W suspensions, having ~43% market share in front forks and 37% share in shock absorbers. Its market share in inverted front forks is likely to be higher. New SOPs with TVSL and HMCL, along with potential opportunities with a Chinese OEM, will further help scale up volumes.
- With support from a Korean technology partner for 4W suspensions, ENDU is close to securing an OEM entry.

Update on the Transmissions business

- The company has started on-vehicle testing for its 4W driveshaft order with SOP expected in 4QFY26, and is establishing a dedicated assembly line to address increasing 3W and 4W demand. Management expects a steady volume ramp-up by FY27 once SOP is achieved. This business is expected to generate INR5b worth of business by FY28.
- The company is actively engaging with two domestic OEMs for future driveshaft and clutch-system supply, one in the light commercial 4W segment and another in electric 3W applications.
- ENDU has commenced commercial production of the APTC clutch for premium and high-performance 2Ws in 2QFY26. Management has indicated that this clutch is a high-margin, proprietary product. Further, the company is now developing hybrid and EV-compatible clutch systems.
- Management emphasized that the transmission business is still at an early stage but highly strategic, as it completes ENDU's positioning as a 'full-system supplier' for 2W and 3W drivetrains.

Update on Maxwell

- In 1QFY26, ENDU purchased the remaining 38.5% stake in Maxwell and now owns 100% of the company.
- Maxwell was able to narrow PAT losses this quarter due to improvements in operating leverage from higher volumes, internal efficiencies, and a better mix of higher-value BMS variants.
- Maxwell continues to supply large volumes of its AVA BMS platform to 2W OEMs and has launched newer HP-Safe, CT-Lite, and LT+PRI BMS variants, winning INR210m worth of orders in FY26 YTD.
- The company is also expanding the SMT (Surface Mount Technology) capacity — the first SMT line at Chakan currently supports 44,000 BMS units per month, and a second SMT line is being installed by March 2026, doubling the total BMS capacity to ~88,000 units per month. This expansion is being funded internally and will help support both EV and non-automotive energy applications.
- Maxwell is spearheading ENDU's move into battery-pack assembly, with a dedicated lithium-ion battery-pack facility coming up in Talegaon, Pune. The plant is scheduled to begin SOP in 4QFY26. The first confirmed battery-pack order is from a leading Indian 2W OEM, carrying a peak annual potential of INR30b.
- Maxwell has received an LoI for supplying battery packs from a large 2W OEM and is in advanced discussions with three other OEMs across the 2W, 3W, and tractor segments. The company is also pursuing INR1.4b worth of live RFQs, including opportunities in stationary energy storage and non-automotive applications such as telecom and renewable energy systems.
- Management remains confident that Maxwell will remain profitable in 2HFY26, supported by higher utilization of SMT lines, commencement of battery-pack production, and new order wins. Volume growth is expected at 70-80% YoY in FY27, driven by the ramp-up of pack programs and wider OEM adoption of its HP-Safe BMS variant. The Board also indicated that no external equity infusion is planned currently; internal accruals will fund ongoing capex.

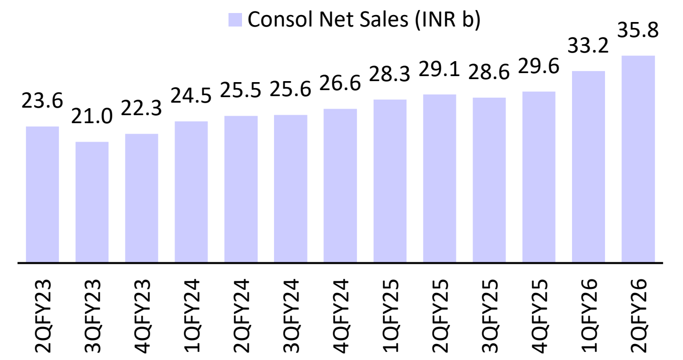
Update on Europe

- ENDU has completed the acquisition of a 60% stake in Stoferle and plans to acquire the remaining 40% over the next five years.
- Most major OEM customers in Europe, including Stellantis, Daimler, Volkswagen Group (including Porsche and Audi), and Renault, maintained steady volumes through the quarter.
- Management expects new hybrid and EV programs to reach peak invoicing of EUR150m between FY27 and FY29.
- ENDU is localizing sub-components within EU operations. It has reported a new supply award from a premium European OEM for lightweight aluminum gearbox housing.
- New RFQs from European OEMs are increasingly focused on high-complexity castings and hybrid housings, where ENDU has a competitive edge due to its process capability and cost efficiency in die-casting and machining.

Update on new capacity addition and capex guidance

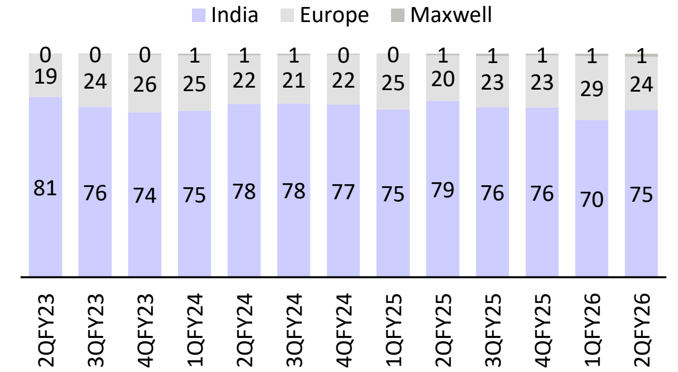
- It has so far invested INR4.6b in capex in 1H, and FY26 guidance stands at INR8b for its new projects.
- In response to draft regulations, ENDU is setting up dual-channel ABS lines and additional disc-brake capacities at Waluj and Chennai.
- ENDU is setting up the AURIC Shendra machined-casting facility (4W & non-auto focus) with SOP expected by 4QFY26, and an additional machining/casting capacity is being added to meet specific export and premium OEM programs.
- Europe capex for FY26 is being targeted at EUR30-32m (having invested Euro20m in H1), focused on capacity additions coupled with tooling and automation across Italy and Germany.

Exhibit 1: Trend in consolidated revenue



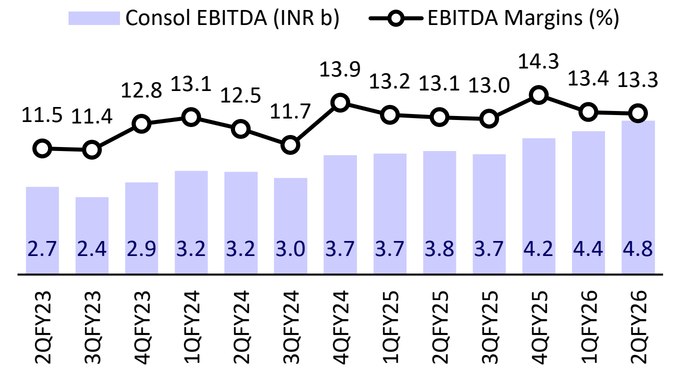
Source: Company, MOFSL

Exhibit 2: Consolidated revenue mix (as % of total)



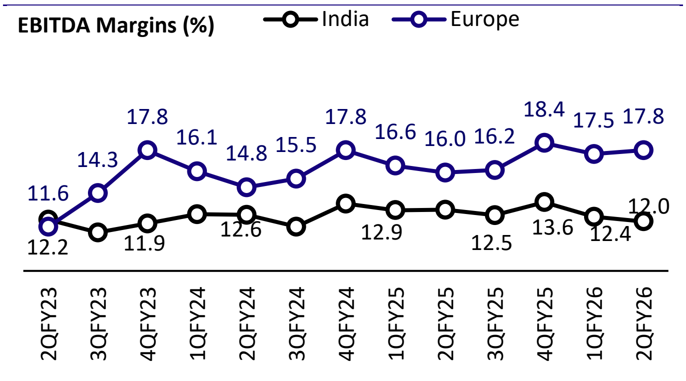
Source: Company, MOFSL

Exhibit 3: Trend in consolidated EBITDA margin



Source: Company, MOFSL

Exhibit 4: EBITDA margin trends in India and Europe



Source: Company, MOFSL

Valuation and view

- Given ENDU's strong positioning in the 2W segment, it is the best proxy to play the Indian 2W opportunity, taking into account the underlying trends of premiumization and an uptrend in scooters. Given the new customer wins (won orders worth INR46.7b since FY22, including new orders worth INR39.5b) and technology-led increase in content, we estimate ENDU to outperform the underlying 2W industry in India.
- ENDU is also geared up for the electrification megatrend in 2Ws through Maxwell, as it focuses on the most critical component, BMS. The company has already won orders worth INR2.8b in Maxwell in the last three years. It has won a non-BMS order worth INR340m, indicating a complete range of other

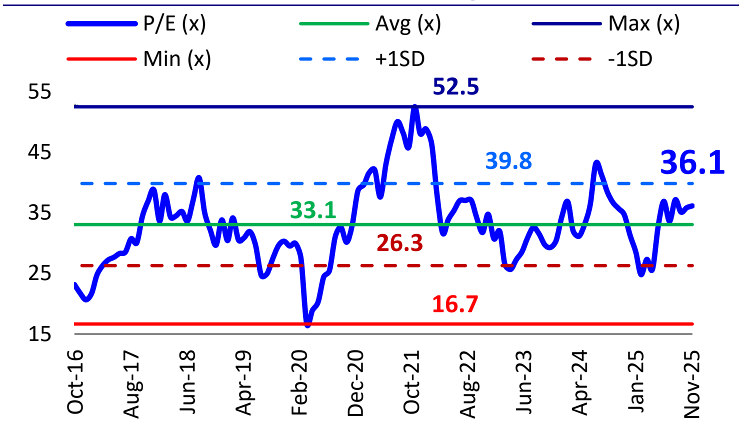
offerings in the electronics space for e-2Ws. It is seeing strong growth and profitability, with a robust product pipeline for 3Ws and 2Ws. While mass production is limited to one or two customers, multiple discussions are underway. The company is also developing allied products like motor control units and battery management systems.

- The company features robust management, a diverse revenue profile, improved technological content, a high wallet share of customers, and financial discipline. It is one of the few auto-ancillary companies in India that boasts a truly diversified revenue base, both in terms of product lines as well as customer base, but still offers a consistently respectable RoE. At the helm is a proven management, as evidenced by sustained profitable growth, entry into new segments, and significant market share gains.
- Given ENDU's strong business franchise and robust management, the stock should continue to command premium valuation multiples in comparison to most domestic auto ancillary companies, as there are only a handful of high-quality, large-scale, multi-product auto component suppliers, in our view.
- We estimate a CAGR of ~17%/19%/18% in consolidated revenue/EBITDA/PAT over FY25-28 on account of healthy new order wins and its focus on ramping up presence in 4Ws in a meaningful way going forward. If ABS were to be mandated in all 2Ws as per the draft notification issued by MORTH, it would open up a huge growth opportunity for players like ENDU. The stock trades at 40x/33x FY26E/FY27E consolidated EPS. **We reiterate our BUY rating with a TP of INR3,215 (based on 36x Sep'27E consolidated EPS).**

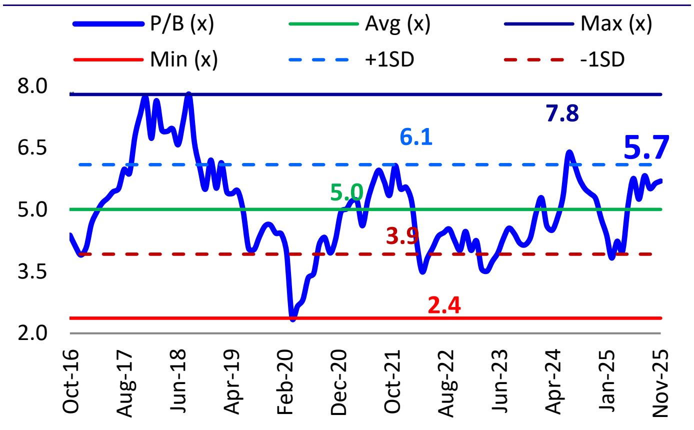
Exhibit 5: Our revised estimates (consolidated)

(INR M)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,44,284	1,43,018	0.9	1,63,365	1,62,074	0.8
EBITDA (%)	13.6	13.7	-10bp	13.7	13.9	-20bp
Net Profit	9,487	10,132	-6.4	11,458	11,871	-3.5
EPS (INR)	67.4	72.0	-6.4	81.5	84.4	-3.5

Exhibit 6: Valuations – P/E and P/B trading brands



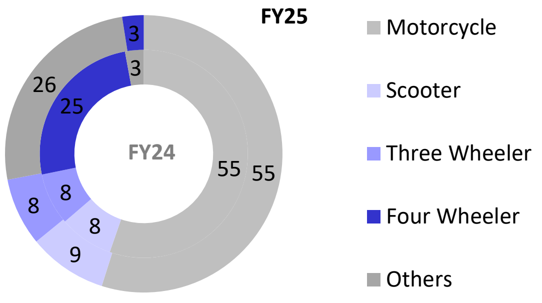
Source: Bloomberg, MOFSL



Source: Bloomberg, MOFSL

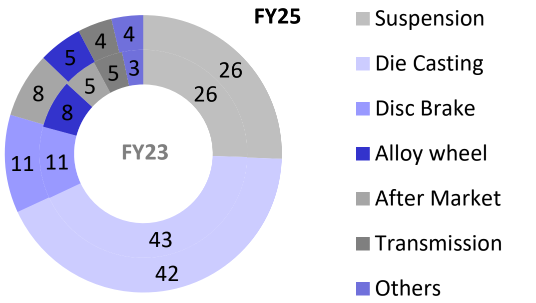
Story in charts

Exhibit 7: Segment-wise break up (%)



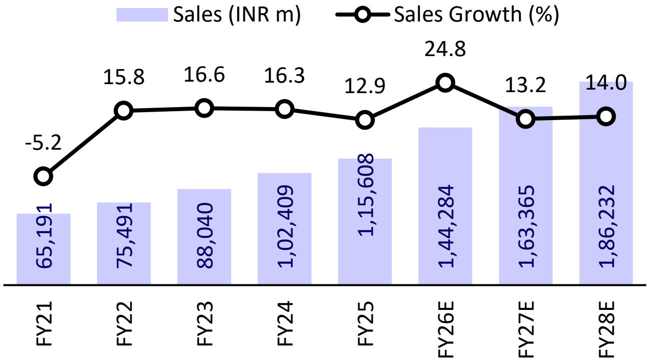
Source: Company presentation, MOFSL

Exhibit 8: Product-wise break up (% consolidated)



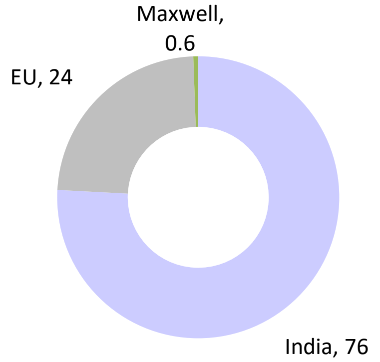
Source: Company presentation, MOFSL

Exhibit 9: Trend in consolidated sales



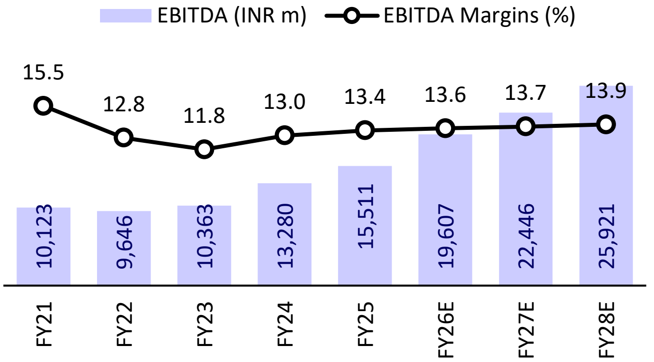
Source: Company, MOFSL

Exhibit 10: Sales break-up in 9MFY25



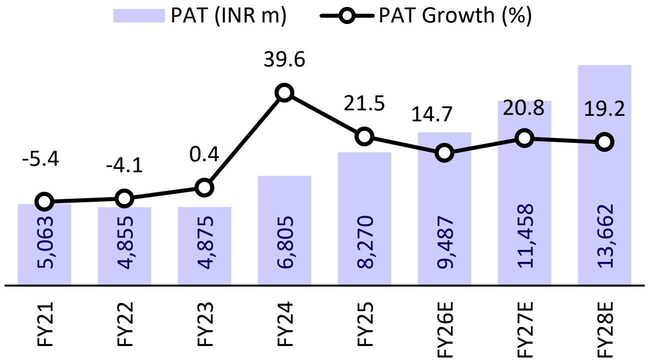
Source: Company, MOFSL

Exhibit 11: Trends in EBITDA and EBITDA margin



Source: Company, MOFSL

Exhibit 12: Trend in consolidated PAT



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement								(INR M)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Total Income from Operations	**65,191**	**75,491**	**88,040**	**102,409**	**115,608**	**144,284**	**163,365**	**186,232**
Change (%)	-5.2	15.8	16.6	16.3	12.9	24.8	13.2	14.0
EBITDA	**10,123**	**9,646**	**10,363**	**13,280**	**15,511**	**19,607**	**22,446**	**25,921**
Margin (%)	15.5	12.8	11.8	13.0	13.4	13.6	13.7	13.9
Depreciation	3,991	3,817	4,216	4,740	5,387	7,138	8,127	8,997
EBIT	**6,131**	**5,829**	**6,147**	**8,540**	**10,124**	**12,469**	**14,319**	**16,924**
Int. and Finance Charges	138	64	206	427	468	551	394	323
Other Income	307	410	454	856	1,170	1,139	1,508	1,748
PBT bef. EO Exp.	**6,301**	**6,176**	**6,395**	**8,969**	**10,825**	**13,057**	**15,433**	**18,350**
EO Items	167	-315	-103	0	122	0	0	0
PBT after EO Exp.	**6,468**	**5,861**	**6,293**	**8,969**	**10,947**	**13,057**	**15,433**	**18,350**
Total Tax	1,272	1,253	1,496	2,165	2,584	3,248	3,638	4,333
Tax Rate (%)	19.7	21.4	23.8	24.1	23.6	24.9	23.6	23.6
Reported PAT	**5,197**	**4,608**	**4,796**	**6,805**	**8,364**	**9,487**	**11,458**	**13,662**
Adjusted PAT	**5,063**	**4,855**	**4,875**	**6,805**	**8,270**	**9,487**	**11,458**	**13,662**
Change (%)	-5.4	-4.1	0.4	39.6	21.5	14.7	20.8	19.2

Consolidated - Balance Sheet								(INR M)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Equity Share Capital	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407
Total Reserves	34,215	37,793	42,715	48,368	55,768	63,426	72,704	83,764
Net Worth	**35,621**	**39,200**	**44,121**	**49,774**	**57,174**	**64,833**	**74,110**	**85,171**
Total Loans	4,242	3,994	5,148	7,653	9,437	8,937	7,937	6,937
Deferred Tax Liabilities	5	6	5	144	134	134	134	134
Capital Employed	**39,868**	**43,201**	**49,274**	**57,572**	**66,745**	**73,903**	**82,181**	**92,241**
Gross Block	44,054	48,000	54,043	63,116	72,908	89,908	101,408	110,908
Less: Accum. Deprn.	19,768	22,610	26,514	30,736	35,731	42,870	50,997	59,994
Net Fixed Assets	**24,286**	**25,390**	**27,528**	**32,379**	**37,176**	**47,038**	**50,411**	**50,913**
Goodwill on Consolidation	1,740	1,757	3,900	3,923	3,405	3,405	3,405	3,405
Capital WIP	962	1,193	1,709	1,593	2,930	2,930	2,930	2,930
Total Investments	**4,443**	**4,868**	**6,718**	**7,926**	**8,036**	**10,036**	**13,036**	**21,036**
Curr. Assets, Loans&Adv.	**26,045**	**25,368**	**28,169**	**33,036**	**39,846**	**40,905**	**46,832**	**53,209**
Inventory	6,118	7,011	8,206	8,722	9,364	12,254	13,875	15,817
Account Receivables	10,410	9,704	11,620	12,624	14,186	17,788	20,141	22,960
Cash and Bank Balance	5,133	4,026	2,877	5,046	10,189	1,906	2,675	2,871
Loans and Advances	4,384	4,627	5,466	6,644	6,108	8,957	10,141	11,561
Curr. Liability & Prov.	**17,607**	**15,375**	**18,750**	**21,285**	**24,648**	**30,411**	**34,432**	**39,252**
Account Payables	12,783	12,413	14,257	16,045	19,743	22,532	25,512	29,083
Other Current Liabilities	3,791	2,088	3,520	4,394	3,908	6,285	7,116	8,112
Provisions	1,032	874	973	846	998	1,594	1,805	2,057
Net Current Assets	**8,438**	**9,993**	**9,418**	**11,751**	**15,198**	**10,495**	**12,400**	**13,957**
Appl. of Funds	**39,868**	**43,201**	**49,274**	**57,572**	**66,745**	**73,903**	**82,181**	**92,241**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	**36.0**	**34.5**	**34.7**	**48.4**	**58.8**	**67.4**	**81.5**	**97.1**
BV/Share	253	279	314	353.9	406.5	461	527	605
DPS	6.0	6.3	7.0	8.5	11.0	13.0	15.5	18.5
Payout (%)	16.2	19.1	20.5	17.6	18.5	19.3	19.0	19.0
Valuation (x)								
P/E	74.8	78.0	77.7	55.6	45.8	39.9	33.0	27.7
P/BV	10.6	9.7	8.6	7.6	6.6	5.8	5.1	4.4
EV/Sales	5.8	5.0	4.3	3.7	3.3	2.7	2.4	2.1
EV/EBITDA	37.3	39.3	36.8	28.7	24.4	19.7	17.1	14.8
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.7
FCF per share	22.0	15.8	17.1	16.8	37.4	-30.0	43.9	76.3
Return Ratios (%)								
RoE	15.4	13.0	11.7	14.5	15.5	15.6	16.5	17.2
RoCE	13.7	11.8	14.3	13.4	13.9	14.6	15.5	16.4
RoIC	17.6	14.7	13.2	16.0	17.5	17.9	17.9	20.1
Working Capital Ratios								
Fixed Asset Turnover (x)	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.7
Asset Turnover (x)	1.6	1.7	1.8	1.8	1.7	2.0	2.0	2.0
Inventory (Days)	34	34	34	31	30	31	31	31
Debtor (Days)	58	47	48	45	45	45	45	45
Creditor (Days)	72	60	59	57	62	57	57	57
Leverage Ratio (x)								
Net Debt/Equity	-0.1	-0.1	-0.1	-0.1	-0.2	0.0	-0.1	-0.2

Consolidated - Cash Flow Statement (INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	6,468	5,861	6,293	8,969	10,947	13,057	15,433	18,350
Depreciation	3,991	3,817	4,216	4,740	5,387	7,138	8,127	8,997
Interest & Finance Charges	132	57	196	418	460	-588	-1,115	-1,426
Direct Taxes Paid	-1,739	-1,600	-1,849	-2,194	-2,168	-3,248	-3,638	-4,333
(Inc)/Dec in WC	-2,695	-398	-415	-803	1,424	-3,580	-1,136	-1,361
CF from Operations	**6,157**	**7,737**	**8,441**	**11,131**	**16,050**	**12,778**	**17,672**	**20,227**
Others	57	-322	179	-560	-733	0	0	0
CF from Operating incl EO	**6,215**	**7,416**	**8,620**	**10,571**	**15,317**	**12,778**	**17,672**	**20,227**
(Inc)/Dec in FA	-3,114	-5,195	-6,216	-8,201	-10,063	-17,000	-11,500	-9,500
Free Cash Flow	**3,101**	**2,220**	**2,404**	**2,370**	**5,254**	**-4,222**	**6,172**	**10,727**
(Pur)/Sale of Investments	-2,739	-262	-1,746	-1,288	-159	-2,000	-3,000	-8,000
CF from Investments	**-5,906**	**-5,502**	**-9,147**	**-9,452**	**-10,127**	**-17,861**	**-12,992**	**-15,752**
Inc/(Dec) in Debt	-1,296	-1,838	282	2,513	1,381	-500	-1,000	-1,000
Interest Paid	-134	-67	-30	-324	-367	-551	-394	-323
Dividend Paid	0	-844	-879	-985	-1,195	-1,829	-2,180	-2,602
CF from Fin. Activity	-1,384	-3,020	-719	1,051	-47	-3,201	-3,911	-4,279
Inc/Dec of Cash	**-1,076**	**-1,107**	**-1,246**	**2,170**	**5,143**	**-8,283**	**769**	**196**
Opening Balance	6,209	5,133	4,026	2,877	5,046	10,189	1,905	2,675
Closing Balance	**5,133**	**4,026**	**2,780**	**5,046**	**10,189**	**1,905**	**2,675**	**2,871**

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. 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 (erstwhile Motilal Oswal Securities Limited - MOSL) 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. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.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

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

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.