02 November 2026
2QFY27 Results Update | Sector: Midcaps

Syrma SGS Technology

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	SYRMA IN
Equity Shares (m)	193
M.Cap.(INRb)/(USDb)	291.6 / 3.1
52-Week Range (INR)	1823 / 634
1, 6, 12 Rel. Per (%)	-17/60/95
12M Avg Val (INR M)	1985

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	48.2	72.3	97.1
EBITDA	5.4	7.7	10.8
Adj. PAT	3.2	4.7	7.1
EBITDA Margin (%)	11.1	10.6	11.1
Cons. Adj. EPS (INR)	16.7	24.6	36.7
EPS Gr. (%)	72.8	47.4	49.5
BV/Sh. (INR)	160.8	185.7	223.9
Ratios			
Net D:E	-0.2	-0.0	-0.0
RoE (%)	13.9	15.4	19.4
RoCE (%)	13.9	15.9	19.4
Valuations			
P/E (x)	91	62	41
EV/EBITDA (x)	54	38	27

Shareholding Pattern (%)

As on	Sep-26	Jun-26	Sep-25
Promoter	41.6	42.3	43.0
DII	14.5	15.9	16.4
FII	9.6	7.6	7.1
Others	34.3	34.2	33.5

Note: FII includes depository receipts

CMP: INR1,512 TP: INR2,100 (+39%) Buy

Robust demand across segments drives growth

Operating performance above our estimate

- Syrma SGS Technology (SYRMA) continued its strong operating performance in 2QFY27, with EBITDA rising ~68% YoY despite EBITDA margin contraction of 34bp YoY (due to higher component costs amid supply chain constraints).
- Revenue grew 68%, driven by a strong performance in Auto (26% of sales, up 91% YoY) and Industrial/Consumer (25%/29% of sales, up 86%/57% YoY), followed by IT and Railways/Healthcare (21% of sales, up 69%/61% YoY). Exports (26% of sales) jumped 95% YoY.
- Moreover, SYRMA reported a healthy order book of INR74b (up 28% YoY). Management upgraded its FY27 revenue growth guidance to 40-45% from 35%, with EBITDA margin guidance of 10-10.5% (vs. 10.5-11% earlier). Going forward, the company is expected to report healthy performance, driven by strong order book execution across segments, increasing ODM share (16% in 2QFY27 vs. 13% in 2QFY26) and robust growth in exports.
- Despite a strong operating performance, we largely maintain our FY27/FY28 estimates due to the expected moderation in margins amid supply chain constraints. We reiterate our **BUY** rating on the stock with a **TP of INR2,100 (49x FY28E EPS).**

Broad-based growth across segments

- Consolidated revenue jumped 74% YoY to INR19.9b (est. INR17.5b), led by growth across all segments. Auto saw the highest growth of 91%, followed by Industrial/IT & Railways/Healthcare/Consumer (up 86%/69%/61%/57% YoY).
- EBITDA margin contracted 34bp YoY to 9.7% (est. 9.4%) due to gross margin contraction of 270bp YoY. EBITDA grew ~68% YoY to INR1.9b (est. INR1.6b). Adj. PAT surged ~83% YoY to INR1.2b (est. INR984m).
- The order book stood at INR74b vs. INR68b/INR58b as of Jun'26/Sep'25. Auto/Consumer/Industrial/Healthcare/IT & Railways constitute 30%/25%/25%/8%/12% of the current order book.
- In 1HFY27, revenue/EBITDA/PAT jumped 71%/76%/91% to INR35.8b/INR3.5b/INR2.2b.
- CFO for 1HFY27 stood at INR1.2b vs. a cash outflow of INR1.2b in 1HFY26. Gross debt stood at INR7.5b as of Sep'26 vs. INR3.5b as of Sep'25 and INR3.5b as of Mar'26.
- Net working capital days were 63 vs. 73 as of Sep'25.

Highlights from the management commentary

- **PCB:** SYRMA expects commercial production to begin by Sep'27, following customer approvals and quality certifications. The facility will manufacture predominantly 2-6-layer PCBs, along with single-layer and some 6-8-layer boards, catering to both captive consumption and external customers. PCB revenue is expected at INR2-3b in FY28, with the annual revenue potential reaching INR7-8b in FY29 and steady-state EBITDA margins of 15-18%, excluding incentives. Including PLI benefits, margins could improve to 17-20%.

Research Analyst: Sumant Kumar (Sumant.Kumar@MotilalOswal.com) **Yash Darak** (Yash Darak@ MotilalOswal.com)
Research Analyst: Swapnil Upadhyay (Swapnil.Upadhyayk@MotilalOswal.com)| **Nirvik Saini** (Nirvik.Saini@MotilalOswal.com)|

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.

- **Supply chain management:** SYRMA continues to face supply-chain constraints, particularly for active component, where lead times have extended to 36-42 weeks. Passive component lead times have increased from four weeks to 8-16 weeks. To ensure uninterrupted production and meet customer requirements, SYRMA has increased inventory to INR15.7b from INR10b in Mar'26. Despite high inventory, inventory days were stable at 71. Management expects supply constraints to persist for another 6-9 months, potentially easing by 1QFY28.
- **ODM:** ODM revenue grew 2x YoY to INR5.9b in 1HFY27. Management expects FY27 ODM revenue at INR10-11b. Key areas include medical technology, defense, RFID, power electronics and magnetics, with industrial ODM expected to contribute more meaningfully over the next 2-3 years. ODM remains a focus area given its higher value addition and margin-accretive potential.
- **Exports:** 1HFY27 export revenue grew 80% YoY to INR9b. The company expects exports to exceed INR17b in FY27 and reach INR20b in FY28. Exports are led by industrial, medical technology and automotive products, with growth driven largely by ramp-up of newly onboarded global customers. Management views exports as margin-accretive and a key growth driver.

Valuation and view

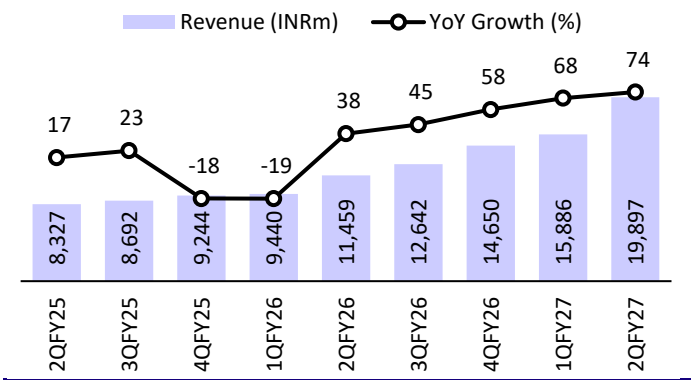
- SYRMA continued its strong earnings momentum, driven by growth across all segments. We expect this trend to continue in FY27, led by strong growth in higher-margin segments, such as automotive, industrial, and MedTech.
- We believe the company's growth trajectory will remain strong, backed by: 1) its focus on low-volume, high-margin business; 2) an increase in exports and ODM; 3) increasing share of revenue in the industrial, automotive, and MedTech segments; 4) foray into bare PCB, HDI, and CCL manufacturing through its JV; and 5) its expansion into new verticals, such as defense, and 6) new customer additions (18 added in 1HFY27).
- We estimate a CAGR of 42%/42%/48% in revenue/EBITDA/adj. PAT over FY26-28. We reiterate our BUY rating on the stock with a **TP of INR2,100 (premised on 49x FY28E EPS).**

Consolidated - Quarterly Earning Model (INR m) (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E 2QE	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Gross Sales	**9,440**	**11,459**	**12,642**	**14,650**	**15,886**	**19,897**	**17,193**	**19,338**	**48,191**	**72,314**	**17,532**	**13**
YoY Change (%)	-18.6	37.6	45.4	58.5	68.3	73.6	36.0	32.0	27.3	50.1	53.0	
Total Expenditure	8,574	10,307	11,048	12,909	14,270	17,964	15,215	17,171	42,836	64,621	15,885	
EBITDA	**866**	**1,152**	**1,594**	**1,741**	**1,616**	**1,933**	**1,977**	**2,167**	**5,354**	**7,693**	**1,647**	**17**
Margins (%)	9.2	10.1	12.6	11.9	10.2	9.7	11.5	11.2	11.1	10.6	9.4	
Depreciation	206	218	203	214	225	227	240	241	841	933	240	
Interest	149	126	77	130	133	153	125	100	483	511	105	
Other Income	160	87	103	118	151	99	200	210	469	659	180	
PBT before EO expense	**672**	**895**	**1,417**	**1,516**	**1,408**	**1,652**	**1,812**	**2,035**	**4,500**	**6,908**	**1,482**	
Extra-Ord expense	0	0	34	12	0	0	0	0	46	0	0	
PBT	**672**	**895**	**1,383**	**1,504**	**1,408**	**1,652**	**1,812**	**2,035**	**4,454**	**6,908**	**1,482**	
Tax	172	232	280	312	351	410	456	512	996	1,730	373	
Rate (%)	25.7	25.9	20.3	20.7	24.9	24.8	25.2	25.2	22.4	25.0	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	2	23	75	180	56	69	150	168	280	444	125	
Reported PAT	**497**	**641**	**1,028**	**1,012**	**1,001**	**1,173**	**1,206**	**1,355**	**3,178**	**4,735**	**984**	
Adj PAT	**497**	**641**	**1,055**	**1,024**	**1,001**	**1,173**	**1,206**	**1,355**	**3,217**	**4,735**	**984**	**19**
YoY Change (%)	157.8	76.8	107.1	56.5	101.2	83.0	14.4	32.4	87.1	47.2	53.6	
Margins (%)	5.3	5.6	8.3	7.0	6.3	5.9	7.0	7.0	6.7	6.5	5.6	

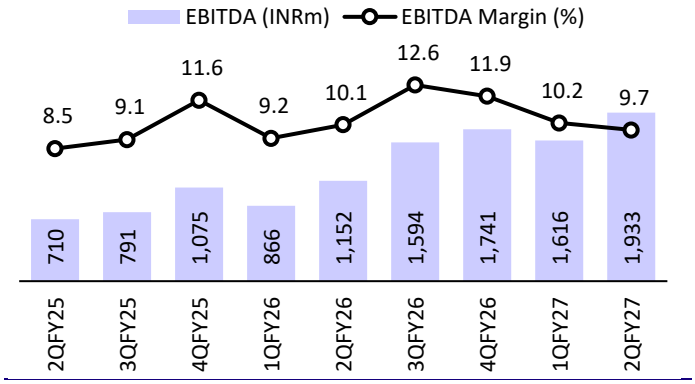
Key exhibits

Exhibit 1: Consolidated revenue trend



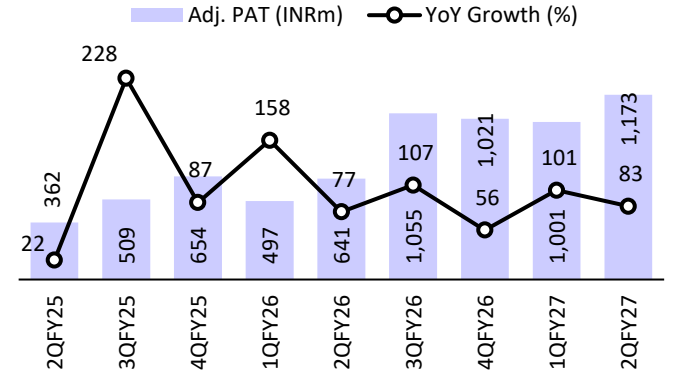
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



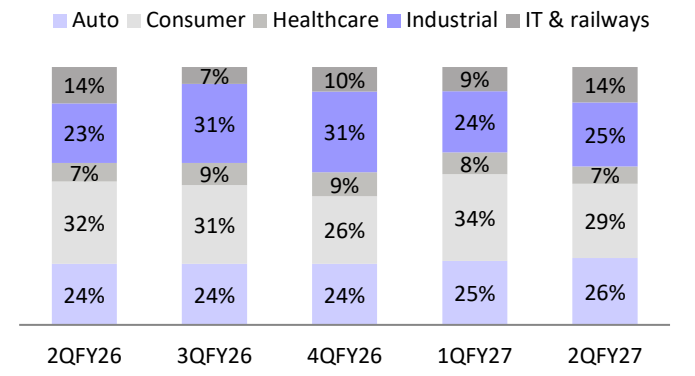
Source: Company, MOFSL

Exhibit 3: Consolidated Adj. PAT trend



Source: Company, MOFSL

Exhibit 4: End-user industry mix



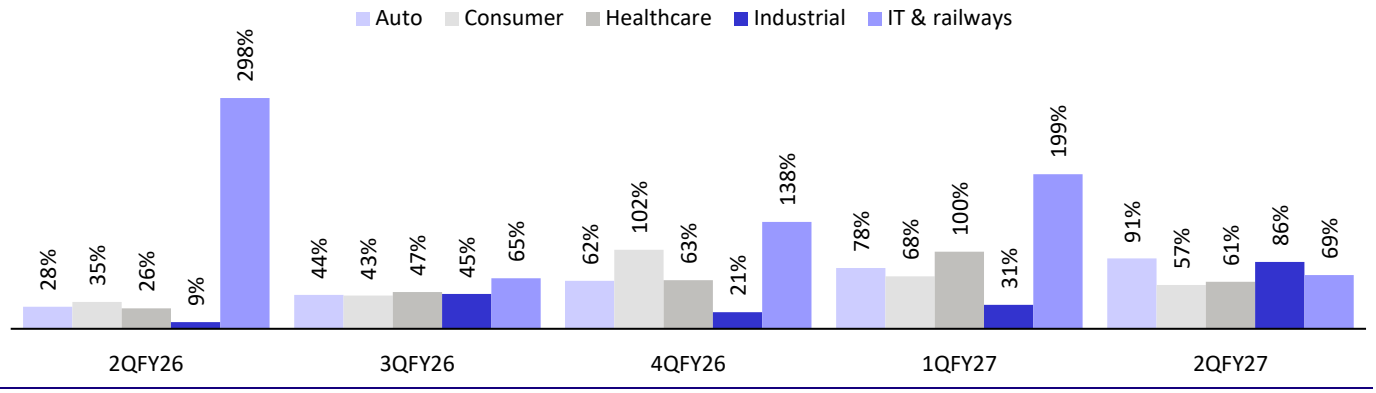
Source: Company, MOFSL

Exhibit 5: Closing order book trend



Source: MOFSL, Company

Exhibit 6: Revenue growth YoY across end-user verticals



Source: MOFSL, Company

CONFERENCE CALL

Highlights from the management commentary

Guidance and Overview

- Management revised FY27 revenue growth guidance upwards to 40–45% YoY, translating into revenue of approximately INR70b.
- The company expects to cross the USD1b revenue milestone in FY28.
- EBITDA margin guidance is 10–10.5% for FY27, supported by margin-accretive projects for FY28
- Management remains bullish on demand, particularly in the automotive and industrial segments. However, supply-chain constraints remain a concern and are expected to ease only by 1QFY28.
- 1H growth of 71% was partly driven by front-loaded customer orders. Management expects some normalization in 2H.
- Revenue growth guidance is primarily moderated by supply-chain constraints rather than demand weakness.

Segmental performance and outlook

- **Industrial segment**: Recorded strong growth of 86% YoY and 31% QoQ. Expected to grow faster in 2HFY27, apart from automotive.
- **Automotive**: Remains a key growth driver, supported by strong customer demand and increasing order visibility.
- **Consumer**: Along with automotive and industrial, will continue to form the backbone of revenue.
- **Healthcare and Railways**: Expected to grow at a faster rate in percentage terms, although their contribution will remain below 10% of revenue individually or collectively as applicable.
- **ODM business**: Expected to cross INR10-11b in revenue.
- **IT business**: Remains relatively low-margin but has a favorable working capital profile.
- **Railways:** Offers relatively superior margins compared with the IT and consumer businesses.

Exports

- Exports remain one of the key pillars of the company's growth strategy.
- FY27 export revenue is expected to exceed INR17b vs. INR12b in FY26.
- Management initially guided for INR15-16b in exports.
- FY28 export revenue is expected to reach approximately INR20b.

- Exports are primarily driven by industrial, MedTech and automotive segments, with a smaller contribution from RFID and consumer applications.
- Export business is margin-accretive and is expected to support overall margin expansion.
- New customer additions are expected to translate into volume production during FY29.
- Export contracts are largely fixed-price contracts, while export revenue provides a natural hedge against foreign currency imports.
- Domestic businesses have a foreign exchange pass-through mechanism for most large customers.

Order book and customer concentration

- Overall open order book and business visibility stood at INR74.2b as of Sep'26.
- Automotive constituted ~ 30% of order book and Consumer and Industrial constituted ~24.5-25%.
- Top 20 customers contribute approximately 66% of revenue.
- No single customer contributes more than 12-14% of revenue, while most customers contribute less than 10%.
- The company onboarded 32 customers in FY26 and another 18 so far in FY27.
- Management clarified that reported order growth may not directly correspond with revenue growth, as customer rolling forecasts and framework contracts are not considered confirmed orders until purchase orders are received.

PCB Project – Key growth and margin driver

- PCB project is progressing as planned and is expected to become a significant contributor to revenue and margins over the coming years.
- Equipment installation and power-on are targeted by Mar'27, followed by trial production and customer approvals.
- Commercial/series production is expected to commence around Jun-Sep'27.
- Full-scale production is expected during FY29.
- Total planned investment is INR8-9b, with INR4-4.5b capex by Mar'27 and remaining INR4-4.5b by Mar'28.
- Revenue potential of INR2-3b, considering the partial year of production in FY28. INR7-8b at the initially indicated production level; management also indicated potential revenue of INR9-10b at 70-80% utilization and INR12-13.5b at full capacity, based on the higher asset-turn assumption for FY29.
- Steady-state EBITDA margin is expected at ~15%, excluding incentives.
- Including PLI benefits, EBITDA margin could reach 17-20%, depending on market dynamics and the extent of incentive sharing with customers.
- Management does not expect the PCB business to report a PAT loss during the initial years.
- PCB production will cater to both internal consumption and external customers, although external customers should contribute the bulk of sales over time.
- Initial focus will be on ODM-based PCBs, which can have a relatively shorter customer approval cycle.
- Majority of production will comprise 2-6 layer PCBs. Some 6-8-layer and higher-layer PCBs will also be manufactured. A single-layer PCB line is also being established for consumer electronics.
- PCB project is expected to materially improve the company's margin profile from FY29 onward.

ECMS projects and other new capabilities

- SYRMA has applied for five to six projects under the ECMS scheme.
- **Key projects:**
- **PCB**: Under implementation, with trial production targeted around March–April 2027 and series production from June–September 2027.
- **CCS**: Commissioning targeted for FY29.
- **HDI/Flex PCBs**: Expected to come on stream in FY29.
- **Camera Modules**: Facility construction has commenced. Customer interest received for automotive applications. Production expected to commence by the end of FY27. Initial capex estimated at INR250-300 m. Initial revenue potential estimated at INR500-1,000m, with scope for scaling up. Company now focuses on high-end automotive camera modules rather than consumer applications.
- **Magnetics**: Relatively small investment requirement, which is expected to contribute high-margin business from FY29 onwards. Management indicated potential revenue of USD10-20m, although it would not materially change overall revenue.

Backward Integration and Other Growth Initiatives

- **Copper-Clad Laminate (CCL)**: Management plans to enter the CCL business to strengthen backward integration. Execution will begin after the PCB facility stabilizes, expected around mid-FY28. Plant completion is targeted around December 2028, with series production expected in FY29.
- **Wire Harnesses:** New capacity is being developed, primarily targeting high-end aerospace, defense and other applications. Business is expected to scale up gradually towards INR 4–5 b over the next five years. Initial contribution is unlikely to materially impact consolidated margins.
- **ARC Systems:** Implemented in 3-4 manufacturing facilities, with implementation ongoing at other plants. Initial results indicate 5-6% improvement in OEE on SMT lines. Management expects an eventual 6-10% improvement in OEE across plants. Expected to improve operational efficiency, capacity utilization and overhead absorption.
- Management is also exploring opportunities to enter the broader ecosystem through a credible joint venture partner. Discussions are ongoing, with greater clarity expected over the next six months.

Subsidiaries and Joint Ventures

- **Syrma SGS Elemaster JV:** New Bengaluru manufacturing facility inaugurated in Sep'26. Facility is undergoing regulatory approvals and certifications, including ISO, IRIS and potentially RDSO. No significant revenue contribution expected in FY27. INR 1.5–2 b contribution expected in FY28
- **Syrma Johari MedTech (SJML):** New medical plastics and precision moulding facility inaugurated in Jodhpur. Facility will manufacture medical-grade moulded, extruded and blow-moulded products, primarily for third-party customers. 1H revenue contribution stood at INR1.4b. FY27 revenue target is ~INR3b vs. INR2.1–2.2b in FY26. Expected to deliver 45-50% growth in FY27. New facility is expected to support revenue growth and improve margins over the coming quarters.
- **Elcome :** Contributed ~INR1.35b to consolidated 1H revenue. FY27 revenue guidance is INR3–3.5b.Currently growing at 20-25% YoY. Management targets higher growth through new customer additions and market expansion.

- **Kaga EV JV:** Agreement signed recently. Facility/business will require regulatory and customer quality approvals. No significant revenue contribution expected in FY27. FY28 revenue potential estimated at ~INR1.5-2b.
- Collectively, three key growth drivers for FY28 are PCB, Elemaster JV and Kaga JV, with expected revenue contributions of INR2-3b/INR1.5-2b/INR1.5-2b.

Working capital, cash flow and capex

- Net working capital cycle improved to 63 days as of Sep'26, compared with 71 days in the previous quarter and 73 days in Sep'25.
- Inventory days remained stable at ~71 despite an increase in absolute inventory.
- Inventory increased from approximately INR 10 b in March 2026 to INR 15.7 b in September 2026, broadly in line with business growth.
- Company maintained a net cash position of INR2.58b as of September 2026.
- Treasury balance stood at ~INR10b, against gross debt of INR7.46b.
- 2Q capex was ~INR2b, with INR1.4b for the PCB project and the balance for brownfield capacity expansion and other manufacturing enhancements.
- Management focuses on maintaining working capital discipline despite supply-chain-related inventory requirements.

Supply chain and cost pressure

- Supply-chain constraints remain the key near-term operational challenge.
- Constraints are primarily concentrated in electronic components, driven partly by rising demand from data centers.
- Management expects supply-chain conditions to remain tight for the next 5–6 months, with normalization potentially beginning around April–June 2027.
- Extended lead times of 36–42 weeks are resulting in longer customer commitments and higher inventory requirements.
- Customers also maintain additional inventory of critical electronic components.
- Raw material cost inflation has been approximately 3–5%, with a significant portion being passed on to customers.
- Management estimated that INR500–700m of quarterly revenue could be attributable to cost inflation, with the remaining growth driven by volumes.
- Despite supply-chain challenges, the company continues to maintain inventory discipline and close coordination with customers.

Others

- **PCB project incentives**: Capital subsidy of INR2b is expected from the state government against the initial investment, subject to eligibility and approvals. Application is expected after project completion, with realization potentially taking another 6-12 months. PLI claims for FY28 revenue are expected to be filed in Jul-Aug'28, with realization potentially within the following 3-6 months.
- PCB business return ratios could potentially exceed 30–35%, assuming the envisaged incentives and utilization levels.
- Management indicated that operational efficiency initiatives and technology adoption will remain long-term priorities rather than being focused on quarterly improvements.
- The company is strengthening its organizational capabilities to cater to larger global customers and scale its business internationally.
- Management reiterated that the company focuses on annual and long-term business performance rather than quarter-on-quarter performance.

Valuation and view

- SYRMA continued its strong earnings momentum, driven by a growth across all segments. We expect this trend to continue in FY27, led by strong growth in higher-margin segments, such as automotive, industrial, and MedTech.
- We believe the company's growth trajectory will continue to remain strong, backed by: 1) its focus on low-volume, high-margin business; 2) an increase in exports and ODM; 3) increasing share of revenue in the industrial, automotive, and MedTech segments; 4) foray into bare PCB, HDI, and CCL manufacturing through its JV; and 5) its expansion into new verticals, such as defense, 6) and new customer additions (18 new customers added in 1HFY27).
- We estimate a revenue/EBITDA/adj. PAT CAGR of 42%/42%/48% over FY26-28. We reiterate our BUY rating on the stock with a **TP of INR2,100 (premised on 49x FY28E EPS).**

Exhibit 7: Changes to our estimates

Earnings change	Old		New		Change	
(INR m)	FY27E	FY28E	FY27E	FY28E	FY27E	FY27E
Revenue	69,510	93,750	72,314	97,135	4%	4%
EBITDA	7,750	10,689	7,693	10,829	-1%	1%
Adj. PAT	4,859	6,873	4,735	7,078	-3%	3%
EPS	25	36	25	37	-3%	3%

Financials and valuations

Consolidated - Income Statement (INR Million)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Income from Operations	**8,858**	**12,667**	**20,484**	**31,538**	**37,862**	**48,191**	**72,314**	**97,135**
Change (%)	2.8	43.0	61.7	54.0	20.1	27.3	50.1	34.3
RM Cost	6,276	9,408	15,405	25,069	29,258	35,866	55,158	73,434
Employees Cost	781	823	1,060	1,426	1,887	2,180	3,244	3,885
Other Expenses	786	1,148	2,142	3,059	3,696	4,790	6,219	8,987
Total Expenditure	**7,842**	**11,380**	**18,606**	**29,554**	**34,841**	**42,836**	**64,621**	**86,306**
% of Sales	88.5	89.8	90.8	93.7	92.0	88.9	89.4	88.9
EBITDA	**1,016**	**1,287**	**1,878**	**1,984**	**3,021**	**5,354**	**7,693**	**10,829**
Margin (%)	11.5	10.2	9.2	6.3	8.0	11.1	10.6	11.1
Depreciation	228	249	312	515	751	841	933	1,376
EBIT	**789**	**1,038**	**1,566**	**1,469**	**2,270**	**4,513**	**6,760**	**9,453**
Int. and Finance Charges	97	108	216	378	577	483	511	349
Other Income	177	178	437	587	699	469	659	1,202
PBT bef. EO Exp.	**869**	**1,108**	**1,787**	**1,678**	**2,392**	**4,500**	**6,908**	**10,306**
EO Items	0	0	0	14	21	46	0	0
PBT after EO Exp.	**869**	**1,108**	**1,787**	**1,664**	**2,371**	**4,454**	**6,908**	**10,306**
Total Tax	213	343	556	421	526	996	1,730	2,580
Tax Rate (%)	24.5	31.0	31.1	25.3	22.2	22.4	25.0	25.0
Minority Interest	25	42	38	170	147	280	444	647
Reported PAT	**630**	**722**	**1,193**	**1,073**	**1,698**	**3,178**	**4,735**	**7,078**
Adjusted PAT	**630**	**722**	**1,193**	**1,087**	**1,719**	**3,213**	**4,735**	**7,078**
Change (%)	-28.7	14.5	65.2	-8.9	58.2	86.9	47.4	49.5
Margin (%)	7.1	5.7	5.8	3.4	4.5	6.7	6.5	7.3

Consolidated - Balance Sheet

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	46	1,376	1,768	1,774	1,780	1,926	1,926	1,926
Total Reserves	5,946	4,344	13,635	14,352	15,719	26,696	31,142	37,931
Net Worth	**5,992**	**5,721**	**15,403**	**16,126**	**17,500**	**28,622**	**33,068**	**39,857**
Minority Interest	6	108	26	644	749	2,033	2,476	3,124
Total Loans	1,029	2,183	3,468	5,763	6,112	3,531	4,531	4,781
Deferred Tax Liabilities	62	124	138	176	139	201	201	201
Capital Employed	**7,089**	**8,136**	**19,035**	**22,710**	**24,499**	**34,387**	**40,277**	**47,963**
Gross Block	2,264	3,233	4,821	8,134	9,077	11,820	15,210	20,068
Less: Accum. Deprn.	405	635	947	1,462	2,213	3,054	3,987	5,363
Net Fixed Assets	**1,858**	**2,597**	**3,874**	**6,672**	**6,864**	**8,766**	**11,223**	**14,705**
Goodwill on Consolidation	1,059	1,182	1,182	3,221	3,221	4,547	4,547	4,547
Capital WIP	0	408	253	168	609	675	635	1,377
Total Investments	**1,316**	**410**	**8,500**	**419**	**594**	**5,467**	**5,467**	**5,467**
Current Investments	0	0	780	355	514	5,092	5,092	5,092
Curr. Assets, Loans&Adv.	**5,365**	**6,945**	**11,603**	**26,414**	**30,758**	**38,246**	**53,388**	**68,859**
Inventory	1,789	2,913	5,874	10,043	8,219	10,616	16,840	21,290
Account Receivables	2,084	2,722	4,032	9,301	14,775	18,408	28,133	37,257
Cash and Bank Balance	729	369	544	856	2,958	2,988	460	598
Loans and Advances	763	940	1,151	6,215	4,807	6,234	7,955	9,714
Curr. Liability & Prov.	**2,509**	**3,407**	**6,377**	**14,185**	**17,548**	**23,313**	**34,983**	**46,991**
Account Payables	1,848	2,405	4,881	12,232	15,744	19,586	29,390	39,478
Other Current Liabilities	554	857	1,362	1,778	1,597	3,339	5,011	6,731
Provisions	108	145	134	174	207	388	582	782
Net Current Assets	**2,856**	**3,538**	**5,226**	**12,230**	**13,211**	**14,933**	**18,405**	**21,868**
Appl. of Funds	**7,089**	**8,136**	**19,035**	**22,710**	**24,499**	**34,387**	**40,276**	**47,963**

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
EPS	**4.6**	**5.2**	**6.7**	**6.1**	**9.7**	**16.7**	**24.6**	**36.7**
Cash EPS	6.2	7.1	8.5	9.0	13.9	22.8	31.8	47.5
BV/Share	43.5	41.6	87.1	90.9	98.3	160.8	185.7	223.9
DPS	0.0	0.0	0.0	1.5	1.5	1.5	1.5	1.5
Payout (%)	0.0	0.0	0.0	24.8	15.7	9.1	6.1	4.1
Valuation (x)								
P/E	330.7	288.7	224.5	247.3	156.9	90.8	61.6	41.2
Cash P/E	243.0	214.6	177.9	167.8	109.2	66.5	47.6	31.9
P/BV	34.8	36.4	17.4	16.7	15.4	9.4	8.2	6.8
EV/Sales	23.6	16.6	13.2	8.7	7.2	6.0	4.1	3.0
EV/EBITDA	205.5	163.5	143.8	138.1	90.4	54.0	38.1	27.2
Dividend Yield (%)	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
FCF per share	1.3	-7.5	-12.1	-25.4	0.2	5.9	-17.6	-3.5
Return Ratios (%)								
RoE	12.3	12.3	11.3	6.9	10.2	13.9	15.4	19.4
RoCE	11.7	11.2	10.3	7.5	10.2	13.9	15.9	19.4
RoIC	12.6	11.9	12.9	7.1	8.5	15.4	17.2	19.1
Working Capital Ratios								
Fixed Asset Turnover (x)	3.9	3.9	4.2	3.9	4.2	4.1	4.8	4.8
Asset Turnover (x)	1.2	1.6	1.1	1.4	1.5	1.4	1.8	2.0
Inventory (Days)	74	84	105	116	79	80	85	80
Debtor (Days)	86	78	72	108	142	139	142	140
Creditor (Days)	76	69	87	142	152	148	148	148
Leverage Ratio (x)								
Current Ratio	2.1	2.0	1.8	1.9	1.8	1.6	1.5	1.5
Interest Cover Ratio	8.1	9.6	7.3	3.9	3.9	9.4	13.2	27.1
Net Debt/Equity	0.1	0.3	0.1	0.3	0.2	-0.2	0.0	0.0

Consolidated - Cash Flow Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	869	1,108	1,787	1,664	2,371	4,454	6,908	10,306
Depreciation	228	249	312	515	751	841	933	1,376
Interest & Finance Charges	52	54	-222	378	585	483	-148	-853
Direct Taxes Paid	-220	-289	-556	-540	-607	-892	-1,730	-2,580
(Inc)/Dec in WC	-499	-1,212	-2,140	-2,804	-934	-1,889	-6,000	-3,325
CF from Operations	**430**	**-90**	**-818**	**-786**	**2,165**	**2,997**	**-37**	**4,924**
Others	-58	-36	115	-350	-400	-101	0	0
CF from Operating incl EO	**371**	**-126**	**-703**	**-1,136**	**1,765**	**2,896**	**-37**	**4,924**
(Inc)/Dec in FA	-187	-901	-1,433	-3,370	-1,726	-1,753	-3,350	-5,600
Free Cash Flow	**184**	**-1,027**	**-2,136**	**-4,506**	**39**	**1,143**	**-3,387**	**-676**
(Pur)/Sale of Investments	-51	11	0	-2,300	605	-3,221	0	0
Others	-888	-2,844	-7,711	5,388	69	-2,446	659	1,202
CF from Investments	**-1,127**	**-3,734**	**-9,144**	**-282**	**-1,052**	**-7,420**	**-2,691**	**-4,398**
Issue of Shares	331	2,715	9,682	0	0	9,782	0	0
Inc/(Dec) in Debt	-179	1,159	1,285	2,295	330	-3,554	1,000	250
Interest Paid	-70	-70	-216	-378	0	-406	-511	-349
Dividend Paid	0	0	0	0	-266	-289	-289	-289
Others	622	-303	-730	-187	1,326	-980	0	0
CF from Fin. Activity	**705**	**3,500**	**10,022**	**1,730**	**1,389**	**4,554**	**200**	**-388**
Inc/Dec of Cash	**-51**	**-360**	**175**	**312**	**2,102**	**30**	**-2,527**	**137**
Opening Balance	780	729	369	544	856	2,958	2,988	460
Other cash & cash equivalent	0	0	0					
Closing Balance	**729**	**369**	**544**	**856**	**2,958**	**2,988**	**460**	**598**

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

.

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.