

# Amber Enterprises India | BUY

## Mega plans for the future; maintain BUY

4Q was a good quarter for Amber, its revenue/EBITDA/PAT rising 34/33/23% YoY. This performance was aided by strong growth in the consumer durables and electronics business. The management's increasing focus on pivoting its business towards becoming an integrated electronics company is clearly visible from the large capex and backward integration plans it announced, as it capitalizes on the electronics component PLI. Amber is planning a capex of INR 30bn spread over the next five years, to expand its electronics capabilities into complex PCB manufacturing, which should drive up its margins and insulate it from its heavy reliance on RAC manufacturing. As we factor in this capex, our FY27E EPS gets cut by 4% (despite an increase in EBITDA estimates), given an increase in finance costs and depreciation. We maintain BUY with a target price of INR 7,250 (vs. INR 7,470 earlier), based on our SoTP valuation, which implies a P/E multiple of 42x on Mar'27E EPS.

- **4Q a marginal beat on JMFs, but 14% miss on consensus:** Amber's 4Q revenue rose 34% YoY, and was 8/10% ahead of JMFL and consensus estimate. Gross margin at 16.6% was flat YoY and 80bps below estimate. Absolute EBITDA rose 33% YoY to INR 2.9bn, 9/3% ahead of JMFL and consensus. EBITDA margin at 7.9% was flat YoY, in-line with estimate and a 50bps miss on consensus. 4Q PAT at INR 1.2bn, +23% YoY was slightly ahead of our estimate of INR 1.1bn and a 14% miss on consensus estimate of INR 1.4bn.
- **Strong show from consumer durables and electronics verticals:** In 4Q the consumer durables business (RAC + RAC components + Non RAC components) registered a 27% YoY revenue growth and a 30bps improvement in margins to 8.4%, primarily driven by operating leverage benefits. The electronics business also reported a 74% YoY growth in revenues; however, EBITDA margins declined ~100bps YoY to 5.8%, given an inferior revenue mix. The railways subsystems business, on expected lines was muted, with 4Q revenues growing 1.5% YoY. Performance in this business, however was better compared to the last three quarters, wherein a YoY degrowth was witnessed.
- **Consumer Durables – focus on market share gains:** Amber saw good growth in the consumer durables business owing to tailwinds in the RAC industry, consequent to which it enjoyed a 26-27% market share in the outsourced manufacturing footprint. For FY26, management guided for a growth of ~30-32%, (+10-12% vs. industry growth of ~20%).
- **Electronics – mega aspirations:** For the electronics business, while FY25 was a good quarter, Amber has large aspirations in the form of backward integrating into complex PCB manufacturing. For this, it will participate in the recently announced components PLI and incur a capex of ~INR 30bn over the next 5 years. For FY26, the target is to grow revenues by 30-40%, while improving the revenue mix, which should take margins in this business up to 10-12% over the next two years from the current ~7%.
- **Railway subsystems – revival on the way:** For the railway subsystems business, FY25 was a weak year given lower than expected off take from clients. However, some positive movement is expected in FY26 and further in FY27 from the 200 Vande Bharat trains which were to be rolled out in FY25 but got delayed. Management target is to double revenues from this vertical in two years.



Shalin Choksy

shalin.choksy@jmfml.com | Tel: (91 22) 66303380

### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	7,261
Upside/(Downside)	16.1%
Previous Price Target	7,470
Change	-2.8%

### Key Data – AMBER IN

Current Market Price	INR6,252
Market cap (bn)	INR211.6/US\$2.5
Free Float	58%
Shares in issue (mn)	33.7
Diluted share (mn)	33.7
3-mon avg daily val (mn)	INR3,449.8/US\$40.4
52-week range	8,177/3,310
Sensex/Nifty	82,059/24,945
INR/US\$	85.4

### Price Performance

%	1M	6M	12M
Absolute	-6.5	1.3	57.8
Relative*	-10.5	-4.2	42.3

\* To the BSE Sensex

### Financial Summary

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	67,293	99,730	1,27,199	1,56,682	1,91,381
Sales Growth (%)	-2.9	48.2	27.5	23.2	22.1
EBITDA	4,918	7,634	9,486	12,327	15,740
EBITDA Margin (%)	7.3	7.7	7.5	7.9	8.2
Adjusted Net Profit	1,329	2,436	3,642	5,533	7,815
Diluted EPS (INR)	39.4	72.3	108.1	164.2	231.9
Diluted EPS Growth (%)	-15.5	83.3	49.5	51.9	41.2
ROIC (%)	8.8	13.3	15.0	16.8	19.7
ROE (%)	6.7	11.2	14.8	18.9	21.7
P/E (x)	158.5	86.5	57.8	38.1	27.0
P/B (x)	10.2	9.2	7.9	6.6	5.3
EV/EBITDA (x)	44.4	29.1	23.6	18.4	14.0
Dividend Yield (%)	0.0	0.0	0.1	0.1	0.1

Source: Company data, JM Financial. Note: Valuations as of 19/May/2025

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

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

## Takeaways from results conference call

### Consumer durables

- Growth in this division was aided by the RAC vertical, which in turn benefitted from industry tailwinds. Management believes it is well positioned to outpace industry growth by 10-12%.
- It has also added new customers for CBUs and components in FY25. It further plans to augment its component capacity in the Sri City unit.
- Further, the commercial AC business has also done well and crossed revenues of INR 2bn, along with several customer additions.
- For the year, the RAC and RAC components business registered a 49% YoY growth, while the non-RAC component vertical grew 31%.

### Electronics

- **Guidance:** Target is for the Electronics business to constitute 10%+ of total revenues. For FY26, confident of 30-40% revenue growth. Further, the target is to achieve 10-12% margin in this business over the next 2 years. Current order book stands at INR 50bn.
- **Component PLI:** To file an application under the component PLI in the bare PCB segment. Under the process of finalizing land parcel for the facility. This JV will facilitate the manufacturing of HDI PCB, Flex PCB and Semicon substrates. For the Ascent Circuits business, will be filing under the bare board manufacturing segment (which involves turnover linked incentives) and for Korea Circuits, under the HDI segment (which includes turnover linked incentives + 25% capex subsidy).
- **Korea Circuits JV:** Agreement with Korea Circuits includes commitment of entire offtake for the first two years for its customers. Korea Circuits' customers include Micron and Samsung. Manufacturing in this facility is expected to commence 4QFY27 onwards, with a significant ramp up in FY28. The aspiration currently is to add an incremental INR 15bn of revenue over two years post-commencement.
- **Ascent expansion:** Manufacturing of bare PCB in Ascent is already operational. However, expanding facility in Hosur, which is tracking well and is expected to more than double the capacity. This expansion involves an investment of INR 6.5bn, for a 30,000 square meter plant, with a target to commence commercial production by 4QFY26. Beyond this, will add another INR 5bn of capex over time. Ascent posted revenue of INR 3.25bn and EBITDA margin of 19%. Currently operating at 90% utilization.
- **Bare board asset turns and margins:** For multilayer PCB (Ascent Circuits), asset turns are in the range of 1-1.2x, while for HDI, and other advance products (Korea Circuit JV), asset turns hover around 0.85-9x. EBITDA margins remain in the range of 18-20%.
- **End-use industries:** Cater to smart meters, consumer durables (including PCBA and products such as wearables and hearables), telecom, and automobile. Will be adding industrials and aerospace and defence over the next two years.

### Railway subsystems and defence

- Target to double revenues of the railways business over the next 2 years. In FY26, expect to see some growth YoY, since projects have started taking off. The 200 Vande Bharat Express trains which were to be rolled out last year, got pushed over to this year. But the large numbers will start coming in FY27 onwards.
- Order book visibility of INR 20bn+. Received orders across segments, which includes orders worth INR 5bn+ for doors.
- Earlier was catering to HVAC systems which stood at INR 2.5mn of business per coach, which has now expanded to about INR 12-15mn, through new product introductions.

## Capex initiatives

- **Existing business capex:** On the existing business, target capex of INR 5bn in FY26, predominantly for the railways and RAC division, to augment HVAC and RAC component capacities.
- **Propositions under the electronics component scheme:** Under the component scheme will be submitting an application of INR 30bn; expected to be spent over 5 years. This will be split into (1) INR 5bn for the Ascent Circuits business, which will constitute plant and machinery for the undergoing expansion at Hosur, and (2) INR 25bn for the facility to be set up under the Korea Circuits JV. Of this, the target is to spend INR 8-9bn in FY26 which will include plant and machinery for the Ascent facility and land and building for the Korea Circuits JV.
- **Commissioning targets:** The Ascent Circuits expansion involves an investment of INR 6.5bn, with a target to commence commercial production by 4QFY26. Further, out of the Korea Circuits JV-related capex of INR 25bn, work on Phase 1 (INR 10bn) should start post Sept'25; commencement of manufacturing expected by 4QFY27.
- **Government subsidies:** Proposed HDI, Flex PCB and Semicon substrates business under the Korea Circuits JV involves a hybrid subsidy under the components PLI. This includes capex subsidy of 25% and revenue linked subsidies basis achievement of incremental revenue thresholds, which are equivalent to ~23% of the proposed capex. This takes the total Central Government subsidies expected to ~48% of total capex investment. Over and above this, expect State Government subsidies of

### Exhibit 1. Summary of capex initiatives

Facility expansion	Product	Expected commencement	Capex Investment
Ascent	Bare PCB	4QFY26	INR 6.5bn
Sidwal	HVAC for trains, pantry and doors and gangway	3QFY26	INR 3bn over 3 years (FY26 is last year)
Yujin JV	Couplers, pantographs, brakes and gears	3QFY26	
Korea Circuits JV	HDI, Flex, Semicon substrates	4QFY27	INR 25bn over 5 years (~65% government subsidy)

Source: Company, JM Financial

## Comments on secondary market demand and consequent impact

- **Secondary demand and inventory levels:** While secondary market demand has seen a downward trend, have not yet seen any impact on Amber's orders and manufacturing. April and May have been tracking well. Targeting digit revenue growth in the RAC business in FY26. Inventory levels have been varied across brands. Despite a slowdown, some brands are short of inventory and seeing growth from these brands. South India has been weak for most brands, while North is seeing some green shoots now. Witnessing similar trends in West and East India as well.
- BEE ratings change to come in from Jan'26, hence expect higher offtake in 3Q.
- **Outsourcing vs. insourcing:** All capex initiatives of brands have now been executed. Further, given strong demand last year, outsourcing picked up again. Also seeing tail brands gain traction, and most of their requirements are outsourced.

## Other takeaways

- **PLI incentive:** PLI incentive of INR 350mn received in FY25, which was pertaining to FY24. In FY26, expect to receive PLI incentives of INR 495mn.
- **Exports:** Have seen some traction from new customers for exports; but not a focus area currently. Focus remains on the domestic order book at this point in time. INR 50bn order book executable over two years

**Exhibit 2. Amber – 4QFY25 result review**

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q4FY25E
<b>Net Revenue</b>	<b>17,020</b>	<b>9,271</b>	<b>12,948</b>	<b>28,055</b>	<b>67,293</b>	<b>24,013</b>	<b>16,847</b>	<b>21,333</b>	<b>37,537</b>	<b>34,831</b>
<b>YoY</b>	<b>-7%</b>	<b>24%</b>	<b>-4%</b>	<b>-7%</b>	<b>295%</b>	<b>41%</b>	<b>82%</b>	<b>65%</b>	<b>34%</b>	<b>24%</b>
Raw Material Costs	(14,047)	(7,206)	(10,387)	(23,359)	(54,999)	(19,747)	(13,457)	(17,340)	(31,312)	(28,775)
<b>Gross Profit</b>	<b>2,973</b>	<b>2,065</b>	<b>2,560</b>	<b>4,696</b>	<b>12,294</b>	<b>4,266</b>	<b>3,390</b>	<b>3,993</b>	<b>6,225</b>	<b>6,056</b>
<b>Gross Profit margin %</b>	<b>17.5%</b>	<b>22.3%</b>	<b>19.8%</b>	<b>16.7%</b>	<b>18.3%</b>	<b>17.8%</b>	<b>20.1%</b>	<b>18.7%</b>	<b>16.6%</b>	<b>17.4%</b>
Employee Cost	(596)	(596)	(639)	(742)	(2,572)	(764)	(768)	(790)	(923)	(903)
% of sales	3.5%	6.4%	4.9%	2.6%	3.8%	3.2%	4.6%	3.7%	2.5%	2.6%
Manufacturing & other expenses	(1,058)	(873)	(1,137)	(1,734)	(4,802)	(1,540)	(1,485)	(1,615)	(2,354)	(2,442)
% of sales	6.2%	9.4%	8.8%	6.2%	7.1%	6.4%	8.8%	7.6%	6.3%	7.0%
<b>EBITDA</b>	<b>1,319</b>	<b>596</b>	<b>785</b>	<b>2,220</b>	<b>4,920</b>	<b>1,962</b>	<b>1,137</b>	<b>1,587</b>	<b>2,948</b>	<b>2,710</b>
<b>YoY</b>	<b>33%</b>	<b>62%</b>	<b>0%</b>	<b>9%</b>	<b>273%</b>	<b>49%</b>	<b>91%</b>	<b>102%</b>	<b>33%</b>	<b>22%</b>
<b>EBITDA margin%</b>	<b>7.8%</b>	<b>6.4%</b>	<b>6.1%</b>	<b>7.9%</b>	<b>7.3%</b>	<b>8.2%</b>	<b>6.7%</b>	<b>7.4%</b>	<b>7.9%</b>	<b>7.8%</b>
Total D&A Expense	(433)	(452)	(466)	(515)	(1,865)	(549)	(566)	(588)	(580)	(659)
<b>EBIT</b>	<b>886</b>	<b>144</b>	<b>319</b>	<b>1,705</b>	<b>3,055</b>	<b>1,413</b>	<b>571</b>	<b>1,000</b>	<b>2,368</b>	<b>2,052</b>
<b>YoY</b>	<b>32%</b>	<b>195%</b>	<b>-24%</b>	<b>4%</b>	<b>245%</b>	<b>59%</b>	<b>298%</b>	<b>213%</b>	<b>39%</b>	<b>20%</b>
<b>EBIT margin%</b>	<b>5.2%</b>	<b>1.5%</b>	<b>2.5%</b>	<b>6.1%</b>	<b>4.5%</b>	<b>5.9%</b>	<b>3.4%</b>	<b>4.7%</b>	<b>6.3%</b>	<b>5.9%</b>
Other Income	193	127	52	180	553	207	178	160	191	147
Finance Costs	(453)	(366)	(369)	(483)	(1,670)	(518)	(486)	(537)	(546)	(601)
<b>PBT</b>	<b>627</b>	<b>(95)</b>	<b>3</b>	<b>1,402</b>	<b>1,938</b>	<b>1,102</b>	<b>263</b>	<b>623</b>	<b>2,013</b>	<b>1,597</b>
<b>YoY</b>	<b>7%</b>	<b>29%</b>	<b>-99%</b>	<b>-4%</b>	<b>209%</b>	<b>76%</b>	<b>nm</b>	<b>nm</b>	<b>44%</b>	<b>14%</b>
Income Tax Expense	(161)	38	(8)	(388)	(519)	(298)	(26)	(162)	(702)	(424)
Rate %	25.6%	40.4%	274.1%	27.7%	26.8%	27.0%	10.1%	26.1%	34.9%	26.5%
Share of JCEs and Associates				(23)	(23)	(56)	(26)	(90)	(127)	(20)
<b>Net Profit</b>	<b>466</b>	<b>(56)</b>	<b>(5)</b>	<b>991</b>	<b>1,395</b>	<b>748</b>	<b>210</b>	<b>370</b>	<b>1,184</b>	<b>1,154</b>
<b>Margins</b>	<b>2.7%</b>	<b>-0.6%</b>	<b>0.0%</b>	<b>3.5%</b>	<b>2.1%</b>	<b>3.1%</b>	<b>1.2%</b>	<b>1.7%</b>	<b>3.2%</b>	<b>3.3%</b>
<b>YoY</b>	<b>8.7%</b>	<b>146.5%</b>	<b>-103.4%</b>	<b>-8.4%</b>	<b>199.2%</b>	<b>60.4%</b>	<b>nm</b>	<b>nm</b>	<b>19.5%</b>	<b>16.5%</b>
Minority Interest	(10)	(13)	0	(44)	(66)	(24)	(17)	(12)	(24)	(39)
As % of NP	2.1%	-22.9%	6.4%	4.4%	4.7%	3.2%	8.3%	3.2%	2.0%	3.4%
<b>Net Profit to Shareholders</b>	<b>457</b>	<b>(69)</b>	<b>(5)</b>	<b>947</b>	<b>1,330</b>	<b>724</b>	<b>192</b>	<b>358</b>	<b>1,160</b>	<b>1,115</b>
<b>YoY</b>	<b>8.6%</b>	<b>132.9%</b>	<b>-103.4%</b>	<b>-8.9%</b>	<b>191.1%</b>	<b>58.5%</b>	<b>nm</b>	<b>nm</b>	<b>22.5%</b>	<b>17.7%</b>
<b>Net Margin%</b>	<b>2.7%</b>	<b>-0.7%</b>	<b>0.0%</b>	<b>3.4%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>1.1%</b>	<b>1.7%</b>	<b>3.1%</b>	<b>3.2%</b>

Source: Company, JM Financial

**Exhibit 3. Amber - 4QFY25 segmental results**

New Segmental Split	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
<b>Revenue Split</b>									
<b>Consumer Durables</b>	<b>13,320</b>	<b>5,470</b>	<b>9,320</b>	<b>21,990</b>	<b>50,636</b>	<b>19,180</b>	<b>10,690</b>	<b>15,564</b>	<b>27,856</b>
YoY	-12.5%	35.1%	-4.7%	-11.2%	-5.9%	44.0%	95.4%	67.0%	26.7%
% of Total	78.3%	59.0%	72.0%	78.4%	75.2%	79.9%	63.5%	73.0%	74.2%
<b>Electronics</b>	<b>2,670</b>	<b>2,480</b>	<b>2,410</b>	<b>4,840</b>	<b>12,404</b>	<b>3,880</b>	<b>4,920</b>	<b>4,724</b>	<b>8,416</b>
YoY	28.4%	2.9%	-7.7%	16.6%	10.3%	45.3%	98.4%	96.0%	73.9%
% of Total	15.7%	26.8%	18.6%	17.3%	18.4%	16.2%	29.2%	22.1%	22.4%
<b>Railway subsystems/mobility</b>	<b>1,030</b>	<b>1,320</b>	<b>1,220</b>	<b>1,230</b>	<b>4,798</b>	<b>950</b>	<b>1,240</b>	<b>1,061</b>	<b>1,249</b>
YoY	9.5%	25.7%	10.9%	8.8%	13.7%	-7.8%	-6.1%	-13.0%	1.5%
% of Total	6.1%	14.2%	9.4%	4.4%	7.1%	4.0%	7.4%	5.0%	3.3%
Total	17,020	9,270	12,950	28,060	67,300	24,010	16,850	21,349	37,521
<b>EBITDA and EBITDA Margins</b>									
<b>Consumer Durables</b>	<b>1,060</b>	<b>210</b>	<b>460</b>	<b>1,790</b>	<b>3,520</b>	<b>1,490</b>	<b>620</b>	<b>1,160</b>	<b>2,350</b>
EBITDA Margins	8.0%	3.8%	4.9%	8.1%	7.0%	7.8%	5.8%	7.5%	8.4%
<b>Electronics</b>	<b>110</b>	<b>130</b>	<b>120</b>	<b>330</b>	<b>690</b>	<b>310</b>	<b>370</b>	<b>340</b>	<b>490</b>
EBITDA Margins	4.1%	5.2%	5.0%	6.8%	5.6%	8.0%	7.5%	7.2%	5.8%
<b>Railway subsystems/mobility</b>	<b>210</b>	<b>310</b>	<b>240</b>	<b>220</b>	<b>980</b>	<b>200</b>	<b>210</b>	<b>120</b>	<b>303</b>
EBITDA Margins	20.4%	23.5%	19.7%	17.9%	20.4%	21.1%	16.9%	11.3%	24.3%

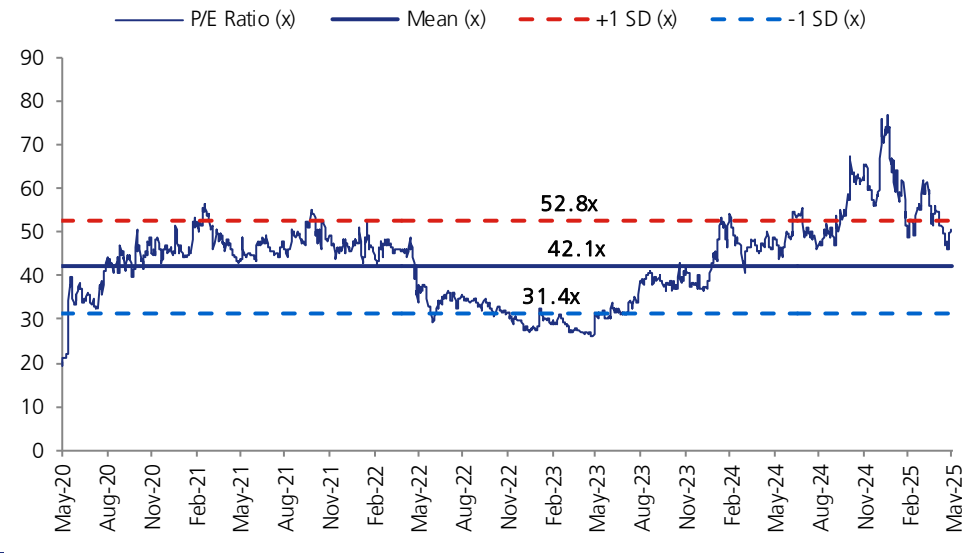
Source: Company, JM Financial

**Exhibit 4. Amber - EPS revision table**

Year End Mar (Rs mn)	FY26E	FY27E	FY28E
<b>Revenues</b>			
Old	1,18,558	1,45,829	NA
New	1,27,199	1,56,682	1,91,381
Change	7.3%	7.4%	NA
<b>EBITDA</b>			
Old	8,795	11,232	NA
New	9,486	12,327	15,740
Change	7.9%	9.7%	NA
<b>EBITDA margins</b>			
Old	7.4%	7.7%	NA
New	7.5%	7.9%	8.2%
Change	4	17	NA
<b>Recurring PAT</b>			
Old	3,634	5,784	NA
New	3,642	5,533	7,815
Change	0.2%	-4.3%	NA
<b>EPS</b>			
Old	107.4	171.0	NA
New	107.7	163.6	231.0
Change	0.2%	-4.3%	NA

Source: Company, JM Financial

Exhibit 5. Amber – 1-yr forward P/E band chart



Source: Company, JM Financial

## Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	67,293	99,730	1,27,199	1,56,682	1,91,381
Sales Growth	-2.9%	48.2%	27.5%	23.2%	22.1%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>67,293</b>	<b>99,730</b>	<b>1,27,199</b>	<b>1,56,682</b>	<b>1,91,381</b>
Cost of Goods Sold/Op. Exp	54,999	81,856	1,05,253	1,29,031	1,56,404
Personnel Cost	2,572	3,246	4,192	5,140	6,797
Other Expenses	4,803	6,995	8,268	10,184	12,440
<b>EBITDA</b>	<b>4,918</b>	<b>7,634</b>	<b>9,486</b>	<b>12,327</b>	<b>15,740</b>
EBITDA Margin	7.3%	7.7%	7.5%	7.9%	8.2%
EBITDA Growth	17.7%	55.2%	24.3%	29.9%	27.7%
Depn. & Amort.	1,865	2,283	2,501	3,083	3,645
EBIT	3,053	5,351	6,986	9,244	12,096
Other Income	553	736	605	532	460
Finance Cost	1,669	2,087	2,155	1,859	1,684
PBT before Excep. & Forex	1,937	3,999	5,436	7,917	10,871
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	1,937	3,999	5,436	7,917	10,871
Taxes	519	1,188	1,468	2,059	2,731
Extraordinary Inc./Loss(-)	-23	-300	-250	-250	-250
Assoc. Profit/Min. Int.(-)	66	76	76	76	76
Reported Net Profit	1,329	2,436	3,642	5,533	7,815
<b>Adjusted Net Profit</b>	<b>1,329</b>	<b>2,436</b>	<b>3,642</b>	<b>5,533</b>	<b>7,815</b>
Net Margin	2.0%	2.4%	2.9%	3.5%	4.1%
Diluted Share Cap. (mn)	33.7	33.7	33.7	33.7	33.7
<b>Diluted EPS (INR)</b>	<b>39.4</b>	<b>72.3</b>	<b>108.1</b>	<b>164.2</b>	<b>231.9</b>
Diluted EPS Growth	-15.5%	83.3%	49.5%	51.9%	41.2%
Total Dividend + Tax	0	0	109	174	174
Dividend Per Share (INR)	0.0	0.0	3.2	5.2	5.2

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,847	3,624	5,110	7,591	10,546
Depn. & Amort.	1,865	2,283	2,501	3,083	3,645
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	3,654	-1,915	-532	-1,015	-1,242
Others	400	402	0	0	0
Taxes Paid	-519	-1,188	-1,468	-2,059	-2,731
<b>Operating Cash Flow</b>	<b>7,248</b>	<b>3,206</b>	<b>5,611</b>	<b>7,601</b>	<b>10,217</b>
Capex	-6,122	-4,516	-9,500	-11,000	-5,050
Free Cash Flow	1,127	-1,311	-3,889	-3,399	5,167
Inc (-) / Dec in Investments	-239	-308	0	0	0
Others	-1,028	-2,731	2,437	613	460
<b>Investing Cash Flow</b>	<b>-7,388</b>	<b>-7,556</b>	<b>-7,063</b>	<b>-10,387</b>	<b>-4,590</b>
Inc / Dec (-) in Capital	0	1	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	1,165	5,199	-2,000	0	-3,500
Others	293	-496	76	76	76
<b>Financing Cash Flow</b>	<b>1,458</b>	<b>4,705</b>	<b>-1,924</b>	<b>76</b>	<b>-3,424</b>
<b>Inc / Dec (-) in Cash</b>	<b>1,319</b>	<b>355</b>	<b>-3,375</b>	<b>-2,710</b>	<b>2,203</b>
Opening Cash Balance	5,594	6,913	7,268	3,892	1,183
Closing Cash Balance	6,913	7,268	3,892	1,183	3,386

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	20,644	22,858	26,500	32,033	39,848
Share Capital	337	338	338	338	338
Reserves & Surplus	20,307	22,520	26,162	31,695	39,510
Preference Share Capital	0	0	0	0	0
Minority Interest	518	245	321	397	473
Total Loans	14,332	19,400	17,400	17,400	13,900
Def. Tax Liab. / Assets (-)	1,348	1,749	1,749	1,749	1,749
<b>Total - Equity &amp; Liab.</b>	<b>36,841</b>	<b>44,253</b>	<b>45,971</b>	<b>51,580</b>	<b>55,970</b>
Net Fixed Assets	29,159	31,392	38,392	46,309	47,714
Gross Fixed Assets	25,187	29,043	38,543	49,543	54,593
Intangible Assets	9,000	9,416	9,416	9,416	9,416
Less: Depn. & Amort.	5,935	8,218	10,719	13,802	17,446
Capital WIP	907	1,151	1,151	1,151	1,151
Investments	2,173	2,481	2,481	2,481	2,481
Current Assets	34,571	50,392	53,843	60,908	74,923
Inventories	8,408	12,461	15,893	19,577	23,912
Sundry Debtors	15,693	23,257	29,663	36,539	44,631
Cash & Bank Balances	6,913	7,268	3,892	1,183	3,386
Loans & Advances	22	27	27	27	27
Other Current Assets	3,534	7,379	4,367	3,582	2,967
Current Liab. & Prov.	29,061	40,012	48,745	58,117	69,147
Current Liabilities	25,525	35,934	44,667	54,039	65,070
Provisions & Others	3,536	4,078	4,078	4,078	4,078
Net Current Assets	5,509	10,380	5,099	2,791	5,776
<b>Total - Assets</b>	<b>36,841</b>	<b>44,253</b>	<b>45,971</b>	<b>51,580</b>	<b>55,970</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	2.0%	2.4%	2.9%	3.5%	4.1%
Asset Turnover (x)	1.8	2.2	2.6	3.0	3.3
Leverage Factor (x)	1.9	2.1	2.0	1.8	1.6
RoE	6.7%	11.2%	14.8%	18.9%	21.7%

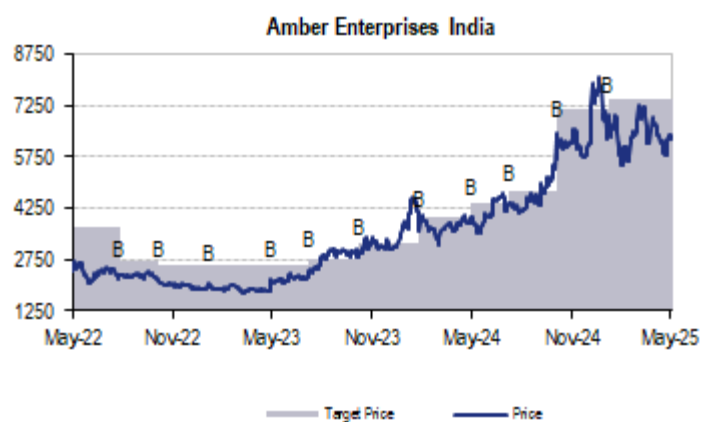
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	612.7	678.4	786.5	950.7	1,182.7
ROIC	8.8%	13.3%	15.0%	16.8%	19.7%
ROE	6.7%	11.2%	14.8%	18.9%	21.7%
Net Debt/Equity (x)	0.3	0.4	0.4	0.4	0.2
P/E (x)	158.5	86.5	57.8	38.1	27.0
P/B (x)	10.2	9.2	7.9	6.6	5.3
EV/EBITDA (x)	44.4	29.1	23.6	18.4	14.0
EV/Sales (x)	3.2	2.2	1.8	1.4	1.2
Debtor days	85	85	85	85	85
Inventory days	46	46	46	46	46
Creditor days	127	126	125	126	126

Source: Company, JM Financial

## History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
17-Mar-21	Buy	4,000	
24-May-21	Buy	3,600	-10.0
11-Aug-21	Buy	3,600	0.0
1-Nov-21	Buy	3,750	4.2
3-Dec-21	Buy	3,850	2.7
31-Jan-22	Buy	4,000	3.9
2-Feb-22	Buy	4,050	1.3
15-May-22	Buy	3,700	-8.6
10-Aug-22	Buy	2,700	-27.0
22-Oct-22	Buy	2,600	-3.7
24-Jan-23	Buy	2,600	0.0
17-May-23	Buy	2,600	0.0
27-Jul-23	Buy	2,780	6.9
24-Oct-23	Buy	3,215	15.6
13-Feb-24	Buy	3,960	23.2
18-May-24	Buy	4,370	10.4
27-Jul-24	Buy	4,770	9.2
24-Oct-24	Buy	7,110	49.1
24-Jan-25	Buy	7,400	4.1

## Recommendation History





## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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

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

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

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: [jmfinancial.research@jmfl.com](mailto:jmfinancial.research@jmfl.com) | [www.jmfl.com](http://www.jmfl.com)Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: [sahil.salastekar@jmfl.com](mailto:sahil.salastekar@jmfl.com)Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: [instcompliance@jmfl.com](mailto:instcompliance@jmfl.com)

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

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

**Research Analyst(s) Certification**

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

**Important Disclosures**

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (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) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

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 JM Financial Institutional Securities and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

**Additional disclosure only for U.S. persons:** JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 28th Floor, Office No. 2821, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

**Additional disclosure only for U.K. persons:** Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

**Additional disclosure only for Canadian persons:** This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.