

Gujarat Fluorochemicals | REDUCE

A lot riding on the ramp-up of battery chemicals

GFL's operational performance in 2QFY26 was largely in line with our expectations while it was slightly better than consensus as it was able to offset the dip in fluoropolymers sales (owing to US tariffs) with high-margin products. With tariffs in place halfway through 3QFY26, 25% sales growth in the fluoropolymers segment seems unlikely. Moreover, amidst uncertainty, approvals for battery chemicals could take longer. As a result, commercial sales could get pushed, in our view. These delays could be key downside risks to our estimates, especially in FY28 where we are pegging in ~40% of incremental EBITDA of FY26E-28E. The rest 60% growth is pencilled in from R-32 and fluoropolymers. Owing to the ramp-up risk of battery chemicals, we maintain our REDUCE rating on the name with a revised SoTP-based Dec'26 TP of INR 3,650 (from Sep'26 TP of INR 3,780 earlier).

- **EBITDA largely in line with JMFe:** Gujarat Fluorochemicals' 2QFY26 consolidated gross profit came 3% below JMFe at INR 8.6bn (up 3%/6% QoQ/YoY) as revenue came in 9% below JMFe and consensus at INR 12.1bn (down 6% QoQ while up 2% YoY) while gross margin was higher than anticipated at 71% (vs. JMFe of 67% and 65% in 1QFY26). During the quarter, other expenses were lower at ~INR 3.7bn (vs. JMFe of INR 4.1bn). As a result, EBITDA came in 1% below JMFe while 3% above consensus at INR 3.6bn (up 6%/23% QoQ/YoY). Further, PAT was 13%/4% below JMFe/consensus at INR 1.8bn (down 3% QoQ and up 48% YoY).
- **Sales miss mainly driven by lower-than-expected fluoropolymer sales:** In 2QFY26, fluoropolymers segment sales came ~7% below JMFe and stood at ~INR 7.6bn (vs. JMFe of ~INR 8.2bn, down 4% QoQ while up 8% YoY). The sequential decline in the segment was on account of US tariffs. However, the company has indicated that new fluoropolymer volume has been steadily increasing, and it has started supplying high-purity grades for semiconductor, aerospace and automobile segments. Fluorochemicals sales came in ~19% below JMFe and stood at ~INR 2.6bn (vs. JMFe ~INR 3.2bn, down 15% QoQ/YoY). The decline was mainly due to lower R-22 sales due to quota reduction and seasonality. Also, R-125 sales was affected due to change in demand and US tariffs. Further, bulk chemicals sales stood at ~INR 1.6bn (vs. JMFe of ~INR 1.5bn, up 7%/3% QoQ/YoY). This was driven by higher volume and realisations for chloromethane. Other segment sales stood at INR 300mn (vs. JMFe of INR 330mn).
- **Estimate 24% EPS CAGR over FY26E-28E; maintain REDUCE:** Factoring in challenges in fluoropolymers, and a likely delay in the scale-up of battery chemicals, we cut our FY26-28 EBITDA estimates by ~2-6% and FY27-28 EPS estimates by ~2%. Over FY26E-28E, we estimate GFL to register 26% sales CAGR factoring in i) 17%/21% sales CAGR from fluorochemicals/fluoropolymers segments and ii) INR 12bn revenue from the battery chemicals business in FY28. Further, building in margin compression from the low-margin battery chemicals segment, we estimate ~24% EBITDA/EPS CAGR over the same period. There remains a downside risk to our estimates primarily from potential delay in EV battery chemicals ramp-up. We roll forward to Dec'27E earnings and maintain our REDUCE rating on the name with a revised SOTP-based Dep'26 TP of INR 3,650/share (from Sep'26 TP of INR 3,780 earlier). Key upside risk: faster-than-expected R-32 ramp-up with sustained pricing benefit.



Krishan Parwani

krishan.parwani@jmfl.com | Tel: (91 22) 66303073

Siddhinathan KN

siddhinathan.kn@jmfl.com | Tel: (91 22) 66303048

Jesvin Solomon

jesvin.solomon@jmfl.com | Tel: (91 22) 66301854

Recommendation and Price Target

Current Reco.	REDUCE
Previous Reco.	REDUCE
Current Price Target (12M)	3,650
Upside/(Downside)	4.6%
Previous Price Target	3,780
Change	-3.5%

Key Data – FLUOROCH IN

Current Market Price	INR3,491
Market cap (bn)	INR383.2/US\$4.3
Free Float	40%
Shares in issue (mn)	109.9
Diluted share (mn)	110.0
3-mon avg daily val (mn)	INR646.6/US\$7.3
52-week range	4,535/3,100
Sensex/Nifty	83,871/25,695
INR/US\$	88.6

Price Performance

%	1M	6M	12M
Absolute	-6.4	-7.9	-17.6
Relative*	-8.0	-12.7	-21.9

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	42,808	47,370	51,456	65,637	82,077
Sales Growth (%)	-24.7	10.7	8.6	27.6	25.0
EBITDA	9,074	11,570	15,187	19,639	23,351
EBITDA Margin (%)	21.2	24.4	29.5	29.9	28.4
Adjusted Net Profit	4,350	5,460	7,556	9,967	11,664
Diluted EPS (INR)	39.6	49.6	68.7	90.6	106.0
Diluted EPS Growth (%)	-67.3	25.4	38.4	31.9	17.0
ROIC (%)	6.2	7.4	8.9	10.2	10.5
ROE (%)	7.6	8.3	9.9	11.8	12.3
P/E (x)	88.1	70.3	50.8	38.5	32.9
P/B (x)	6.5	5.3	4.8	4.3	3.8
EV/EBITDA (x)	44.3	34.5	26.6	20.9	17.8
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.1

Source: Company data, JM Financial. Note: Valuations as of 11/Nov/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

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

2QFY26 Result Review

Key takeaways from post-results conference call

- **30% EBITDA margin in 2QFY26 sustainable:** The 30% EBITDA margin achieved in 2QFY26 is sustainable, and was achieved via higher-value product mix like sales of high-purity fluoropolymers, cost-control initiatives like lower cost renewable power, and favourable impact of currency movement.
- **Capex guidance for FY27 at INR 15bn:** Guided that capex for FY27 will be ~INR 15bn for the EV business, in line to achieve the company's capex target of ~INR 60bn by CY30. Current capex of INR 5.75bn for non-EV business and INR 12bn for EV business is progressing well. The company has ~INR 2bn of undrawn term loans and remains in discussions with a sovereign fund for additional funding. It is fully funded for the upto USD 125mn of additional capex, with future fundraises expected to be largely via convertible instruments, leading to minimal immediate dilution and expecting significant dilution only in the time of IPO of its EV business.
- **R-32 capacity to reach 20KTPA by FY26-end; high utilization levels expected for FY27:** Reiterated plans to expand its R-32 capacity to 20KTPA by end of FY26. Going ahead, the company intends to fully utilise its entitlement quota and will evaluate further expansion once the current capacity stabilises by 4QFY26. FY27 utilisation level is expected to be high. Further, post the R-32 gas leak incident at its plant, the company is implementing enhanced safety protocols and expects the plant to restart operations by end of Nov'26.
- **Fluoropolymer segment impacted by US tariffs; alternate markets being explored:** The Fluoropolymer segment underperformed in 1HFY26, relative to its earlier guidance of 25% YoY growth. This underperformance was due to the impact of US tariffs. Adjusted for the tariff impact, the remaining portfolio is on track to achieve the 25% growth target. The company is actively exploring alternate markets such as Japan, Korea, and the EU to mitigate the impact.
- **PTFE to benefit from ADD (anti-dumping duty) and tariff exemption; new FP products impacted:** While the company's New Fluoropolymer products were adversely affected by the US tariffs, PTFE remains exempt and is further expected to benefit from the impending anti-dumping duty. The company aims to capture 50–60% of the incremental domestic PTFE demand resulting from lower imports, supported by its strong monomer capacity and ongoing polymer capacity additions.
- **Battery Chemicals EBIT level breakeven expected by FY27, significant sales numbers expected by FY28:** Guided for the Battery Chemicals business to breakeven on EBIT level by FY27. Expects to see significant sales numbers in this business by FY28, due to capacity building up over FY26 and FY27, and expecting upcoming contracts in place. Currently, the company has successfully commissioned its LFP CAM facility, and will send commercial supplies post stabilization. Commercial sales of binder is expected from 2HCY26.
- **R-22, R-125 sales down, but expected to stabilise going ahead; bulk chemical sales up:** The company's fluorochemicals sales for 2QFY6 suffered as R-125 was impacted due to market conditions and US tariffs. Further, sales of R-22 for the quarter declined due to decrease in R-22 quota and seasonality. Bulk Chemical sales, on the other hand, increased on the back of volume and price improvement for Chloromethanes, and volume improvement for caustic soda.
- **LiPF6 prices surge from USD 10/kg to USD 17 /kg to positively impact company's outlook:** The recent increase in LiPF6 price from USD 10/kg to USD 17/kg is expected to positively impact the company's business outlook as it is the only non-China integrated LiPF6 producer. LiPF6's earlier price of USD 8-9/kg was not sustainable, and the recent increase in demand from BESS (Battery Energy Storage Systems) applications and closure of unsustainable capacities has led to increase in prices which is expected to sustain going forward.
- **Working capital cycle elevated due to inventory buildup in Fluoropolymers and EV businesses:** The ideal working capital cycle for the business is ~120 days. The recent increase was due to inventory buildup in the New Fluoropolymer and EV businesses—driven by customer sampling for EV business and the need to maintain stocks in the US and EU for Fluoropolymers business. With long-term contracts expected in the Battery Chemicals segment, working capital intensity is likely to reduce going forward as the need to maintain inventory for this segment will be reduced.

Exhibit 1. GFL quarterly financial snapshot

Consolidated (INR mn)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	2QFY26E	% QoQ	% YoY	% diff vs. JMFe
Net Sales	9,917	11,330	11,760	11,880	11,480	12,250	12,810	12,100	13,240	-6%	2%	-9%
COGS	3,569	3,927	4,070	3,740	3,190	4,130	4,470	3,490	4,369	-22%	-7%	
Gross Profit	6,348	7,403	7,690	8,140	8,290	8,120	8,340	8,610	8,871	3%	6%	-3%
Gross margin	64%	65%	65%	69%	72%	66%	65%	71%	67%	605bps	264bps	
Employee cost	833	880	1,030	1,100	1,150	1,050	1,060	1,280	1,080	21%	16%	
Employee cost as % of sales	8%	8%	9%	9%	10%	9%	8%	11%	8%	230bps	132bps	
Other expenditure	3453	4148	4040	4090	4200	4010	3840	3690	4105	-4%	-10%	
Other exp. as % of sales	35%	37%	34%	34%	37%	33%	30%	30%	31%	52bps	-393bps	
EBIDTA	2,062	2,376	2,620	2,950	2,940	3,060	3,440	3,640	3,687	6%	23%	-1%
EBITDA margin	21%	21%	22%	25%	26%	25%	27%	30%	28%	323bps	525bps	
Depreciation	719	812	850	900	910	890	900	910	900	1%	1%	
EBIT	1343	1564	1770	2050	2030	2170	2540	2730	2787	7%	33%	
Interest expense	372	337	370	420	420	260	300	330	300	10%	-21%	
Other income	132	183	90	90	140	260	230	60	260	-74%	-33%	
PBT	1,103	1,410	1,490	1,720	1,750	2,170	2,470	2,460	2,747	0%	43%	
Tax	302	401	410	510	490	260	630	670	700	6%	31%	
PAT	801	1,010	1,080	1,210	1,260	1,910	1,840	1,790	2,046	-3%	48%	-13%
PAT margin	8%	9%	9%	10%	11%	16%	14%	15%	15%	43bps	461bps	
Basic EPS (INR)	7.29	9.19	9.83	11.01	11.46	17.38	16.74	16.29	18.62	-3%	48%	
Tax rate	27.4%	28.4%	27.5%	29.7%	28.0%	12.0%	25.5%	27.2%	25.5%	173bps	-242bps	

Source: Company, JM Financial

Exhibit 2. GFL quarterly segmental snapshot

INR mn	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	2QFY26E	% QoQ	% YoY	% diff vs JMFe
Bulk Chemicals	1,780	1,760	1,690	1,590	1,820	1,610	1,480	1,580	1,520	7%	-1%	4%
Fluoropolymers	5,450	6,450	6,850	7,000	6,510	7,140	7,980	7,640	8,219	-4%	9%	-7%
Fluorochemicals	2,460	3,020	2,970	3,040	2,930	3,260	3,020	2,580	3,171	-15%	-15%	-19%
Others	227	100	250	250	220	240	330	300	330	-9%	20%	-9%
Total	9,917	11,330	11,760	11,880	11,480	12,250	12,810	12,100	13,240	-6%	2%	-9%

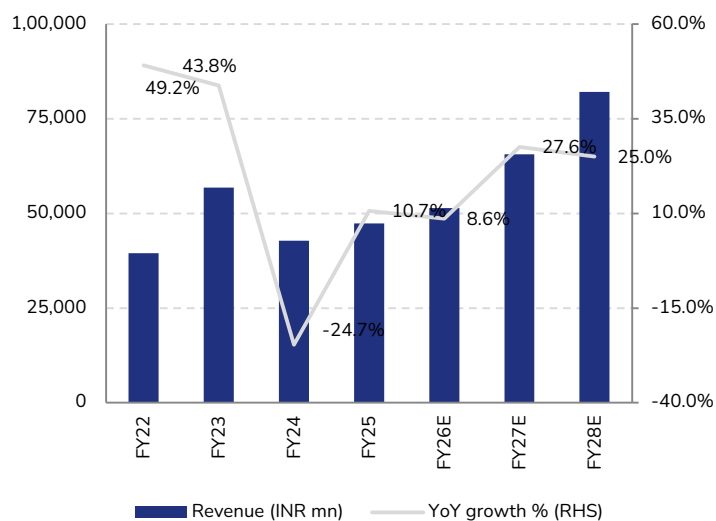
Source: Company, JM Financial

Assumptions and Estimates

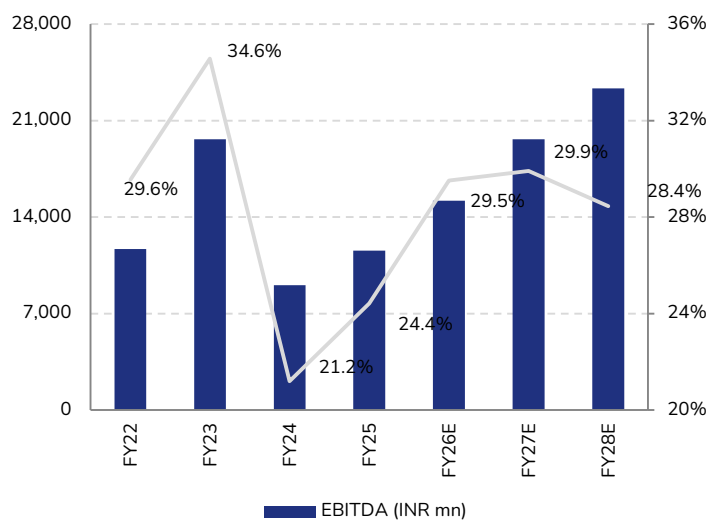
Exhibit 3. Change in estimates

	New	Old	Difference
EBITDA (INR Mn)			
FY26	15,187	15,513	-2.1%
FY27	19,639	20,794	-5.6%
FY28	23,351	24,775	-5.7%
PAT (INR Mn)			
FY26	7,556	7,504	0.7%
FY27	9,967	10,161	-1.9%
FY28	11,664	11,919	-2.1%
EPS (INR)			
FY26	69	68	0.7%
FY27	91	93	-1.9%
FY28	106	109	-2.1%

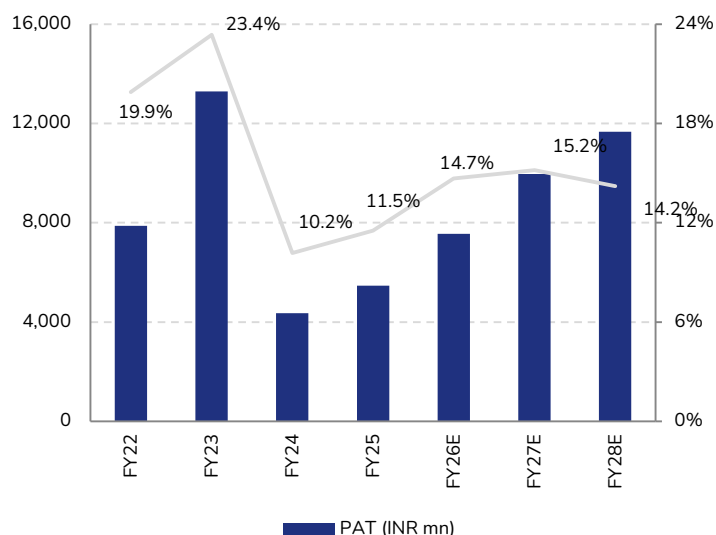
Source: JM Financial

Exhibit 4. GFL's revenue likely to register 26% CAGR over FY26E-28E


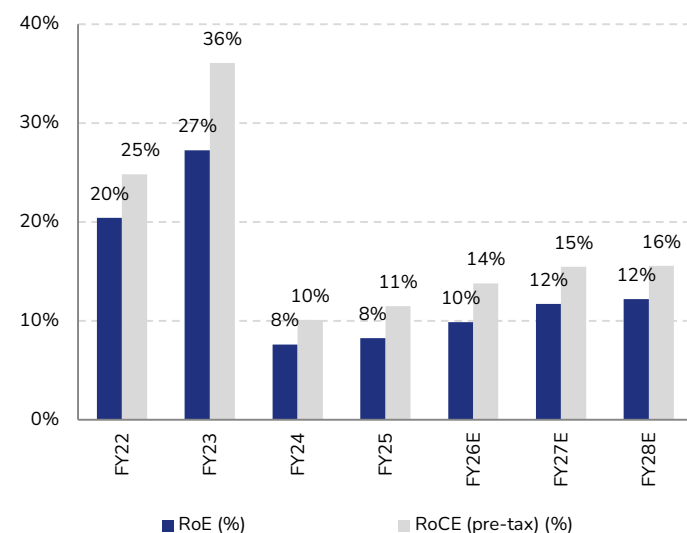
Source: Company, JM Financial

Exhibit 5. GFL's EBITDA likely to post 24% CAGR over FY26E-28E


Source: Company, JM Financial

Exhibit 6. GFL's PAT likely to register 24% CAGR over FY26E-28E


Source: Company, JM Financial

Exhibit 7. RoCE (pre-tax) likely to reach 16% by FY28E


Source: Company, JM Financial

Valuation

Exhibit 8. Our SOTP-based Dec'26 TP for GFL stands at INR 3,650/share

Segments	EBITDA (INR mn)	Multiple (x)	Methodology	Valuation (INR mn)	Value per share (INR)
Base Business (A)	19,917	15		294,776	2,685
*Battery Chemicals Business (B)	15,255	12	12x FY30E EBITDA discounted to Dec'27	136,731	1,245
Enterprise value (A) + (B)				431,507	3,930
Less: Net Debt/(cash)				30,890	281
Equity value				400,617	3,650
Dec'27E consolidated EPS	-	-			102.4
Implied EV/EBITDA multiple (x)					20
Implied P/E multiple (x)					36

Source: JM Financial; *Note: excluded ~4% minority interest from Mar'30 battery chemicals EBITDA

Exhibit 9. GFL is currently trading at ~22x 1-year forward consensus EV/EBITDA multiple



Source: Bloomberg, JM Financial

Exhibit 10. Chemical companies peer valuation

Company	Rating	CMP (INR)	TP (INR)	P/E (x)				P/B (x)				EV/EBITDA (x)				ROE (%)			
				FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
SRF	BUY	2,927	3,510	69.3	45.8	33.3	30.6	6.9	6.1	5.3	4.6	33.2	25.6	19.8	17.1	10.4	14.1	17.1	16.2
PI Industries	REDUCE	3,781	3,745	34.7	34.5	31.3	28.4	5.7	5.0	4.4	3.8	24.7	22.7	20.4	18.4	17.5	15.3	14.8	14.4
Deepak Nitrite	BUY	1,725	2,265	33.6	29.7	23.7	22.4	4.3	3.8	3.3	2.9	22.0	19.8	15.7	14.6	13.6	13.7	15.0	14.0
Clean Science	BUY	928	1,195	37.3	36.9	28.2	22.0	7.0	5.9	4.9	4.0	24.5	24.6	18.7	14.6	20.2	17.3	18.9	20.1
Navin Fluorine	BUY	6,023	6,380	106.9	54.5	43.4	36.2	11.7	8.1	7.1	6.1	59.6	33.6	28.5	23.6	11.5	17.6	17.3	18.1
Fine Organic	REDUCE	4,190	4,225	31.3	30.4	31.0	29.2	5.6	4.9	4.3	3.8	23.2	22.1	20.8	18.2	19.5	17.1	14.7	13.9
Galaxy Surfactants	REDUCE	2,236	2,335	25.9	23.8	21.8	20.6	3.3	3.1	2.8	2.6	15.6	14.5	13.2	12.1	13.4	13.5	13.6	13.2
PCBL Chemical	REDUCE	349	350	30.4	36.8	22.9	20.3	3.6	3.4	3.1	2.8	13.6	14.9	12.2	11.2	12.5	9.5	14.3	14.6
Aether Industries	BUY	734	1,030	57.3	49.0	32.5	24.7	4.4	4.0	3.5	3.1	40.2	29.2	22.0	16.8	7.9	8.5	11.5	13.4
Acutaas Chemicals	ADD	1,745	1,750	89.1	54.5	41.6	33.7	10.9	9.2	7.6	6.3	60.6	38.3	29.4	23.6	16.2	18.3	20.0	20.4
Anupam Rasayan	SELL	1,070	800	126.0	79.2	52.7	37.2	4.1	3.7	3.4	3.1	32.8	25.5	20.9	16.7	3.3	5.0	6.8	8.8
Archean Chemicals	REDUCE	623	635	38.1	26.1	16.5	12.9	4.1	3.6	3.0	2.5	24.3	16.5	10.9	8.2	11.3	14.8	19.9	21.1
Tatva Chintan Pharma Chem	SELL	1,462	820	598.7	88.0	66.0	50.3	4.6	4.4	4.1	3.8	100.6	40.0	31.6	25.8	0.8	5.1	6.5	7.9
Paradeep Phosphates	REDUCE	160	175	25.0	13.9	13.2	12.2	2.8	2.3	2.0	1.7	11.0	8.3	7.8	7.4	12.8	18.4	16.3	15.1
Gujarat Fluorochemicals	REDUCE	3,491	3,650	70.3	50.8	38.5	32.9	5.3	4.8	4.3	3.8	34.5	26.6	20.9	17.8	8.3	9.9	11.8	12.3
Tata Chemicals	ADD	842	945	65.6	29.1	25.4	18.7	1.0	1.0	1.0	0.9	14.0	11.2	9.5	8.1	1.5	3.4	3.8	5.0

Source: Companies, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	42,808	47,370	51,456	65,637	82,077
Sales Growth	-24.7%	10.7%	8.6%	27.6%	25.0%
Other Operating Income	0	0	0	0	0
Total Revenue	42,808	47,370	51,456	65,637	82,077
Cost of Goods Sold/Op. Exp	14,533	15,130	15,437	20,610	27,742
Personnel Cost	3,504	4,330	5,146	6,564	8,208
Other Expenses	15,697	16,340	15,686	18,824	22,777
EBITDA	9,074	11,570	15,187	19,639	23,351
EBITDA Margin	21.2%	24.4%	29.5%	29.9%	28.4%
EBITDA Growth	-53.8%	27.5%	31.3%	29.3%	18.9%
Depn. & Amort.	2,861	3,550	4,384	5,327	6,302
EBIT	6,213	8,020	10,803	14,313	17,049
Other Income	1,069	580	410	400	300
Finance Cost	1,331	1,470	1,400	1,768	2,200
PBT before Excep. & Forex	5,951	7,130	9,813	12,944	15,149
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	5,951	7,130	9,813	12,944	15,149
Taxes	1,601	1,670	2,257	2,977	3,484
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	4,350	5,460	7,556	9,967	11,664
Adjusted Net Profit	4,350	5,460	7,556	9,967	11,664
Net Margin	10.2%	11.5%	14.7%	15.2%	14.2%
Diluted Share Cap. (mn)	109.9	110.0	110.0	110.0	110.0
Diluted EPS (INR)	39.6	49.6	68.7	90.6	106.0
Diluted EPS Growth	-67.3%	25.4%	38.4%	31.9%	17.0%
Total Dividend + Tax	220	330	329	329	329
Dividend Per Share (INR)	2.0	3.0	3.0	3.0	3.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	5,951	7,130	9,813	12,944	15,149
Depn. & Amort.	2,861	3,550	4,384	5,327	6,302
Net Interest Exp. / Inc. (-)	1,054	1,270	990	1,368	1,900
Inc (-) / Dec in WCap.	-1,440	-4,150	-2,080	-7,217	-8,368
Others	-214	-470	0	0	0
Taxes Paid	-1,949	-1,880	-2,257	-2,977	-3,484
Operating Cash Flow	6,264	5,450	10,851	9,445	11,499
Capex	-9,666	-8,700	-14,000	-15,000	-15,000
Free Cash Flow	-3,402	-3,250	-3,149	-5,555	-3,501
Inc (-) / Dec in Investments	2	-2,710	0	0	0
Others	0	210	410	400	300
Investing Cash Flow	-9,665	-11,200	-13,590	-14,600	-14,700
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-220	-330	-329	-329	-329
Inc / Dec (-) in Loans	5,191	-90	4,000	7,500	6,000
Others	-1,495	6,410	-1,400	-1,768	-2,200
Financing Cash Flow	3,476	5,990	2,270	5,402	3,470
Inc / Dec (-) in Cash	75	236	-469	247	269
Opening Cash Balance	240	314	550	81	328
Closing Cash Balance	314	550	81	328	597

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	59,363	72,530	79,756	89,394	100,729
Share Capital	110	110	110	110	110
Reserves & Surplus	59,254	72,420	79,646	89,284	100,619
Preference Share Capital	0	0	0	0	0
Minority Interest	0	460	460	460	460
Total Loans	19,958	19,880	23,880	31,380	37,380
Def. Tax Liab. / Assets (-)	2,654	2,340	2,340	2,340	2,340
Total - Equity & Liab.	81,976	95,210	106,436	123,574	140,909
Net Fixed Assets	53,522	58,060	67,676	77,349	86,048
Gross Fixed Assets	56,663	60,449	74,449	89,449	104,449
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	15,979	19,529	23,913	29,239	35,541
Capital WIP	10,913	15,240	15,240	15,240	15,240
Investments	1,670	4,460	4,460	4,460	4,460
Current Assets	37,139	43,510	45,643	54,922	65,662
Inventories	15,713	18,200	19,770	25,218	31,535
Sundry Debtors	8,446	11,970	13,003	16,586	20,740
Cash & Bank Balances	314	550	81	328	597
Loans & Advances	273	250	250	250	250
Other Current Assets	12,393	12,540	12,540	12,540	12,540
Current Liab. & Prov.	10,355	10,820	11,343	13,157	15,260
Current Liabilities	6,198	6,950	7,473	9,287	11,390
Provisions & Others	4,157	3,870	3,870	3,870	3,870
Net Current Assets	26,784	32,690	34,301	41,765	50,402
Total - Assets	81,976	95,210	106,436	123,574	140,909

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	10.2%	11.5%	14.7%	15.2%	14.2%
Asset Turnover (x)	0.5	0.5	0.5	0.6	0.6
Leverage Factor (x)	1.4	1.4	1.3	1.4	1.4
RoE	7.6%	8.3%	9.9%	11.8%	12.3%

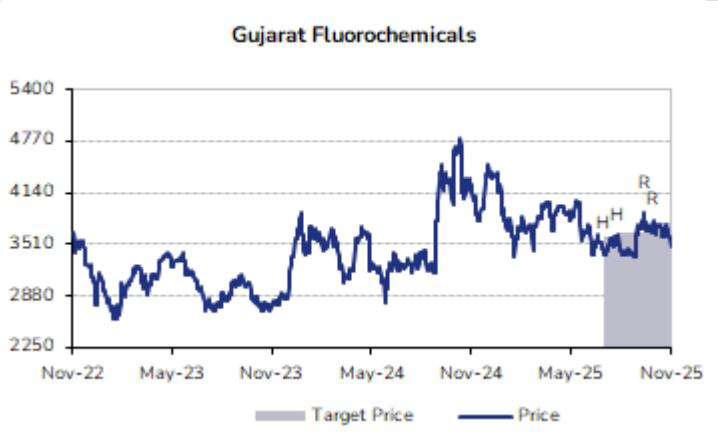
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	540.4	659.4	725.1	812.7	915.7
ROIC	6.2%	7.4%	8.9%	10.2%	10.5%
ROE	7.6%	8.3%	9.9%	11.8%	12.3%
Net Debt/Equity (x)	0.3	0.2	0.2	0.3	0.3
P/E (x)	88.1	70.3	50.8	38.5	32.9
P/B (x)	6.5	5.3	4.8	4.3	3.8
EV/EBITDA (x)	44.3	34.5	26.6	20.9	17.8
EV/Sales (x)	9.4	8.4	7.8	6.3	5.1
Debtor days	72	92	92	92	92
Inventory days	134	140	140	140	140
Creditor days	56	62	66	67	65

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
11-Jul-25	Hold	3,600	
5-Aug-25	Hold	3,645	1.3
22-Sep-25	Reduce	3,780	3.7
7-Oct-25	Reduce	3,780	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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

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

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

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.comCompliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.comGrievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com

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

New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: 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. Please click [here](#) to access our detailed Terms and Conditions, including the Most Important Terms and Conditions.

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, 27th Floor, Office No. 2715, 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.