BUY GNG Electronics

Rising refurbished adoption; growth trajectory accelerating

Consumer Electricals and Durables ▸ Visit Note ▸ **September 09, 2026** | **CMP (Rs): 676 | TP (Rs): 725**

We met Sharad Khandelwal, Founder and MD, to understand GNG's growth outlook. Management remains confident of a sustained growth trajectory, supported by structurally higher new-device prices (up ~80% since Nov-25, driven by an AI-led squeeze on memory, processor, and storage supply) and rising acceptance of refurbished products. It believes the ongoing pricing reset is structural rather than a temporary phenomenon, with no meaningful correction expected at least till CY29. It remains confident of strategically leveraging higher inventory levels (143 days in FY26 vs 101/126 days in FY24/FY25) to support scale, improve product availability, and enhance gross margin (GM). GNG highlighted the rising adoption of refurbished ICT products in India, while international revenue still accounts for majority of the mix (~64%/67% in 1QFY27/FY26); with scope to increase pricing from ~1/3rd currently to ~40% of new-device cost, without materially denting demand, GNG sees a favorable runway for both revenue growth and margin expansion. Management reiterated FY27 revenue guidance of 30% growth and expects PAT margin expansion by 75-100bps. We expect robust growth in FY27 and beyond, aided by industry-leading warranty-backed products (up to 3Y), strong pricing power, and a favorable industry backdrop. We retain FY26-29E revenue/EBITDA/EPS CAGR of ~24%/30%/37%; maintain BUY (Moat in ESG-aligned refurbished market; initiate with BUY) and DCF-based TP of Rs725 (implying 27x Sep-28E PER).

Rising adoption of refurbished devices in India; GNG a key beneficiary

Management highlighted the rising acceptance of refurbished ICT products in India, particularly among enterprises, supporting both volume growth and pricing power. It reiterated GNG's strong competitive positioning, aided by its 750+ procurement partner network, which provides sourcing security, an in-house repair over replacement refurbishment model, and a broad 5k+ customer touchpoint base (including 3 large national distributors). Together, these capabilities provide GNG with an edge across sourcing, refurbishment, and distribution, supporting its ability to scale with the market.

Higher pricing power; India emerging as a more premium market

New device prices have risen 80% since Nov-25, widening the price gap vs refurbished devices and pulling corporate demand forward as buyers pre-empt further increases. With refurbished devices currently priced at 1/3rd of new, GNG sees price headroom to 40% without materially denting demand. The widening absolute price gap, now at >Rs126 (Rs180 for new device vs <Rs54 for refurbished – 30% of new), up from ~Rs70 earlier (Rs100 vs Rs30), further supports demand for refurbished PCs. Management believes India will become a more premium-oriented market, led by rising AI adoption, student demand, and improving economic prosperity.

Higher WC strategy working in GNG's favor

Management remains confident of leveraging elevated inventory levels (143 days in FY26 vs 101/126 days in FY24/FY25) as a strategic lever to support scale, ensure better product availability, and improve GM. The elevated inventory position also provides an advantage amid the continued rise in input/new-device prices. Management remains confident of proactively anticipating price corrections and adjusting inventory positions accordingly, given that any impact is expected to be gradual rather than sudden; management does not expect any sharp correction in prices in the near term at least until CY29.

GNG Electronics: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	14,111	18,911	24,309	30,046	36,001
EBITDA	1,169	1,962	2,699	3,486	4,357
Adj. PAT	692	1,320	1,935	2,627	3,406
Adj. EPS (Rs)	6.1	11.6	17.0	23.0	29.9
EBITDA margin (%)	8.3	10.4	11.1	11.6	12.1
EBITDA growth (%)	47.5	67.9	37.6	29.2	25.0
Adj. EPS growth (%)	31.9	90.7	46.6	35.8	29.7
RoE (%)	35.5	26.8	22.6	24.3	24.6
RoIC (%)	18.4	19.7	19.0	20.8	22.6
P/E (x)	94.8	58.4	39.8	29.3	22.6
EV/EBITDA (x)	58.3	34.8	25.3	19.6	15.6
P/B (x)	29.0	10.2	8.1	6.3	5.0
FCFF yield (%)	0.2	(3.5)	(0.1)	1.4	2.1

Source: Company, Emkay Research

Target Price – 12M	Sep-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	7.2

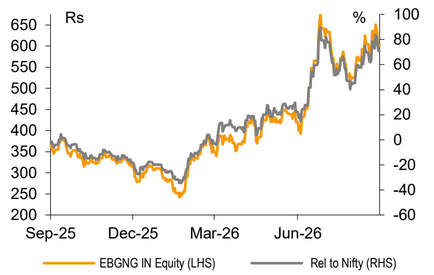
Stock Data	**EBGNG IN**
52-week High (Rs)	690
52-week Low (Rs)	239
Shares outstanding (mn)	114.0
Market-cap (Rs bn)	77
Market-cap (USD mn)	810
Net-debt, FY27E (Rs mn)	3,632.7
ADTV-3M (mn shares)	0.7
ADTV-3M (Rs mn)	496.2
ADTV-3M (USD mn)	5.2
Free float (%)	25.2
Nifty-50	23,431.5
INR/USD	95.1

Shareholding,Jun-26	
Promoters (%)	74.8
FPIs/MFs (%)	5.3/6.8

Price Performance

(%)	1M	3M	12M
Absolute	28.6	64.4	91.4
Rel. to Nifty	34.8	63.1	103.2

1-Year share price trend (Rs)



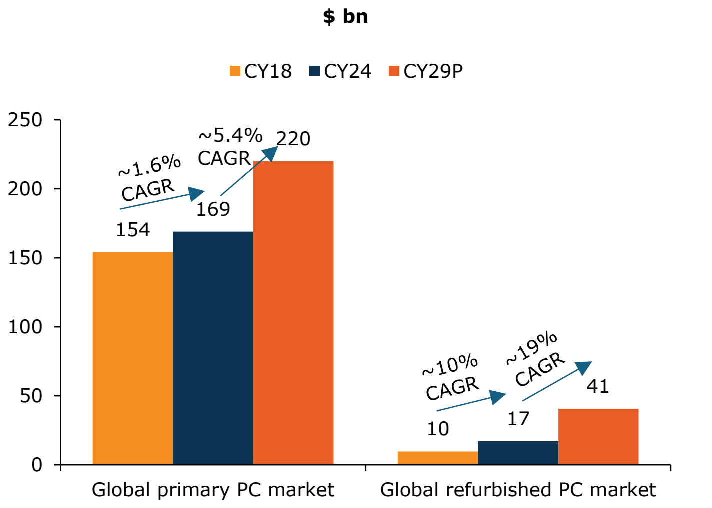
Chirag Jain
chirag.jain@emkayglobal.com
+91-22-66242428

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91-22-66121238

Marazbaan Dastur
marazbaan.dastur@emkayglobal.com
+91-22-66121281

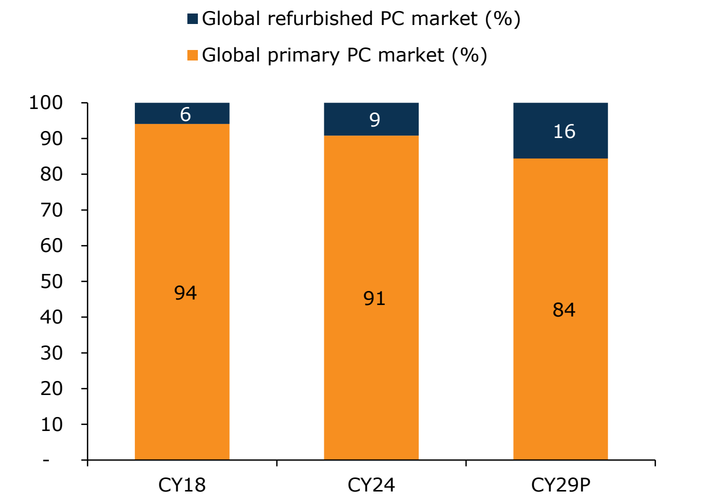
Sanskar Sahuji
sanskar.sahuji@emkayglobal.com
+91 22 66121245

Exhibit 1: Global refurbished PC market growth outpacing primary PC market growth



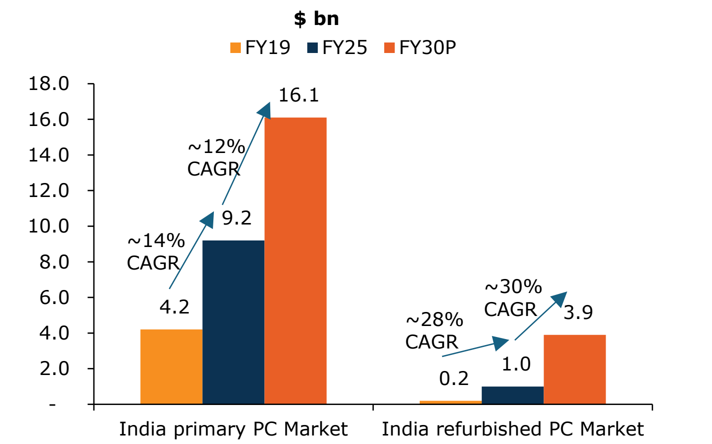
Source: Company, RHP, Emkay Research

Exhibit 2: Refurbished PC market share rose from 6% to 9% during CY18-24 and expected to reach >16% by CY29



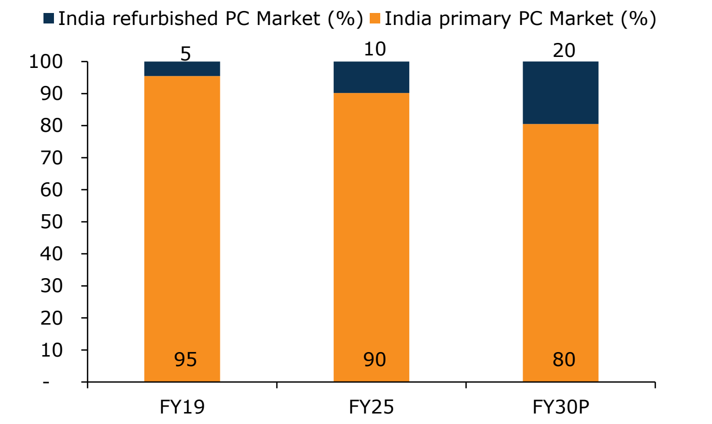
Source: Company, RHP, Emkay Research

Exhibit 3: India's refurbished PC market growth also outpacing primary PC market growth



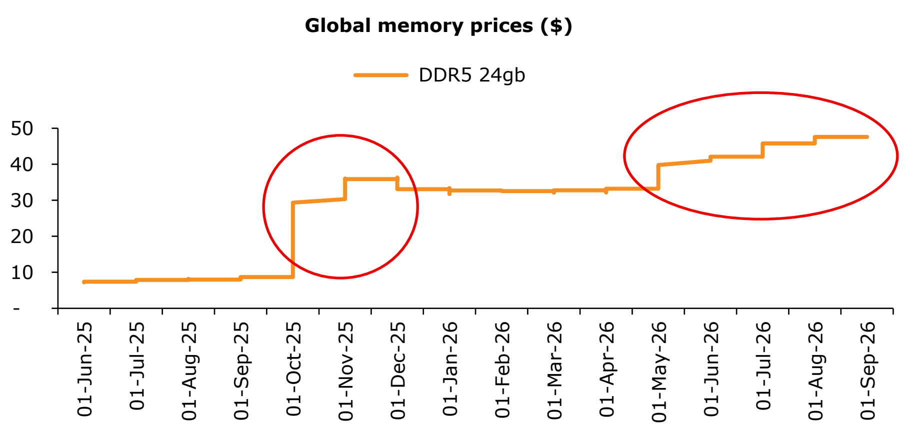
Source: Company, RHP, Emkay Research

Exhibit 4: Refurbished PC market share rose from ~5% to ~10% during FY19-25; expected to reach >20% by FY30



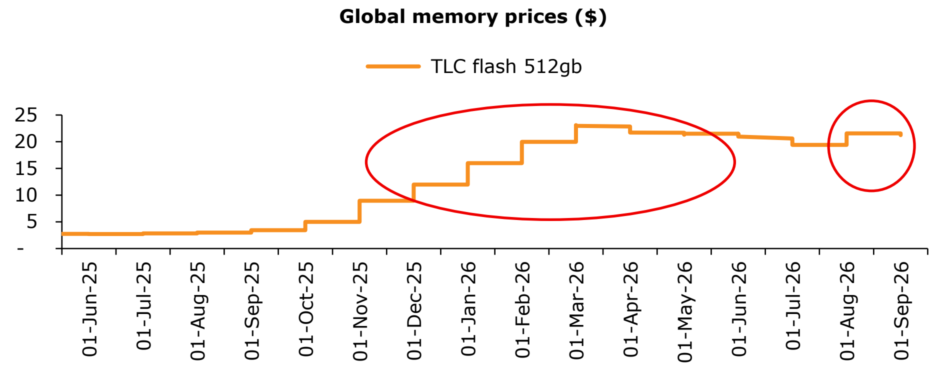
Source: Company, RHP, Emkay Research

Exhibit 5: Spike in memory costs in recent period due to constraint in supply; ~6x rise in DDR5 (24gb) prices in 1Y



Source: Company, Bloomberg, Emkay Research

Exhibit 6: Spike in memory costs in recent period due to constraint in supply; ~7x rise in NAND (512gb) prices in 1Y



Source: Bloomberg, Emkay Research

Exhibit 7: New laptop prices have increased 50-70% across models over recent quarters

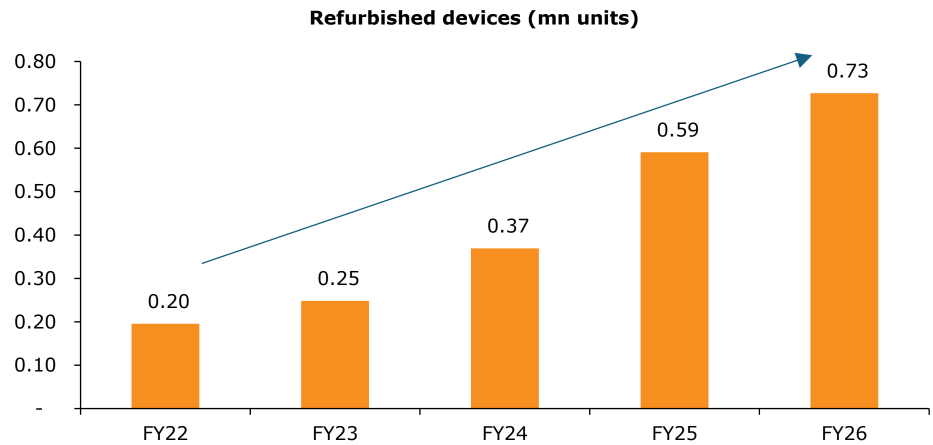
Price (Rs)	Dec-25	May-26	Sep-26	Increase (%)
Laptop Core 3 100U 8gb RAM/512gb SSD Win 11 Pro	57,709	68,080	86,991	50.7
Laptop Core 5 210H 16gb RAM/512gb SSD Win 11 Pro	80,088	98,200	135,990	69.8
Laptop Core 7 240H 16gb RAM/512gb SSD Win 11 Pro	94,167	111,290	157,990	67.8

Source: Lenovo, Emkay Research

A structural shortfall in new-PC supply – *"IDC's March 2026 update forecasts a decline of around 11% in 2026 global PC shipments, implying 55 to 60 million units of computing demand that new devices will not serve. This unmet demand is flowing to the refurbished segment, that favours scaled, warranty-backed players."*

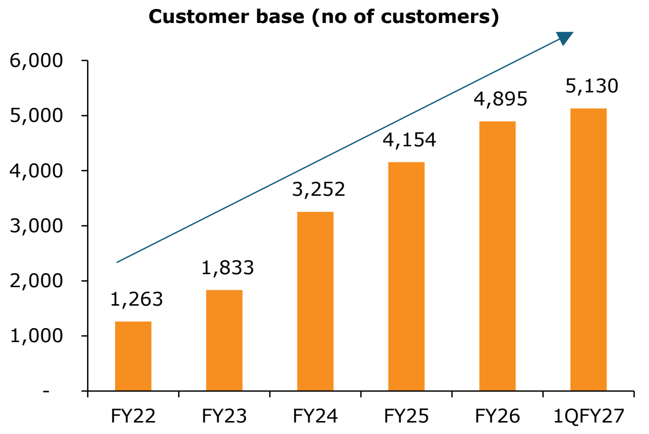
\- *GNG Electronics FY26 annual report*

Exhibit 8: GNG's volume of refurbished devices has risen ~4x over the past 5Y, aided by its strong capabilities and customer trust



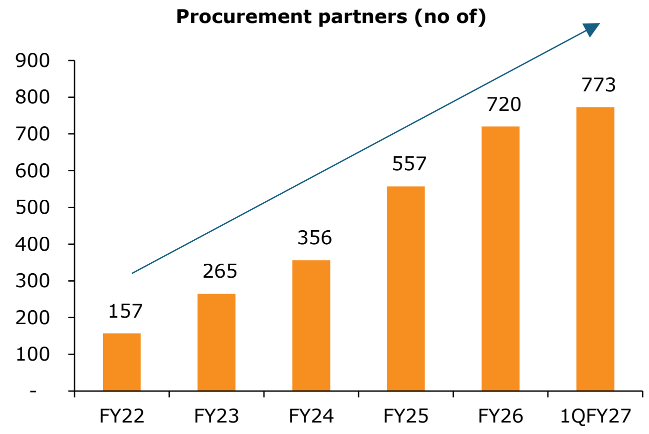
Source: Company, RHP, Emkay Research

Exhibit 9: GNG's growing customer touchpoints leading to reduced customer concentration risk



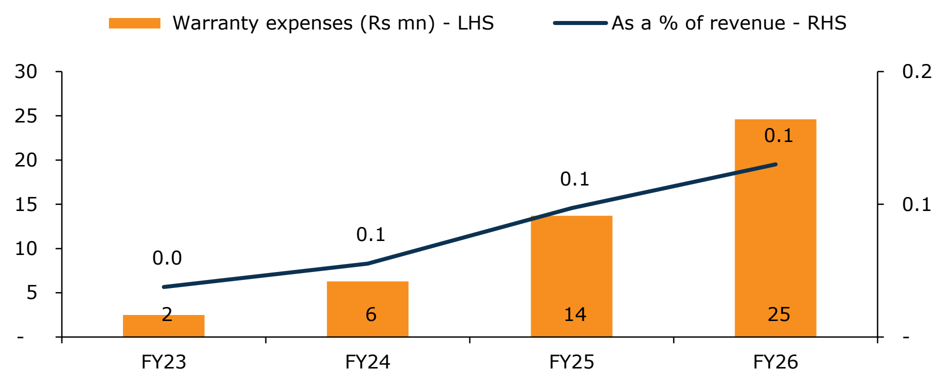
Source: Company, RHP, Emkay Research

Exhibit 10: GNG's growing procurement partners have maintained sourcing stability



Source: Company, RHP, Emkay Research

Exhibit 11: Warranty costs remain minimal at ~0.1% of revenue, largely driven by strong product quality, supported by disciplined sourcing and robust refurbishing capabilities



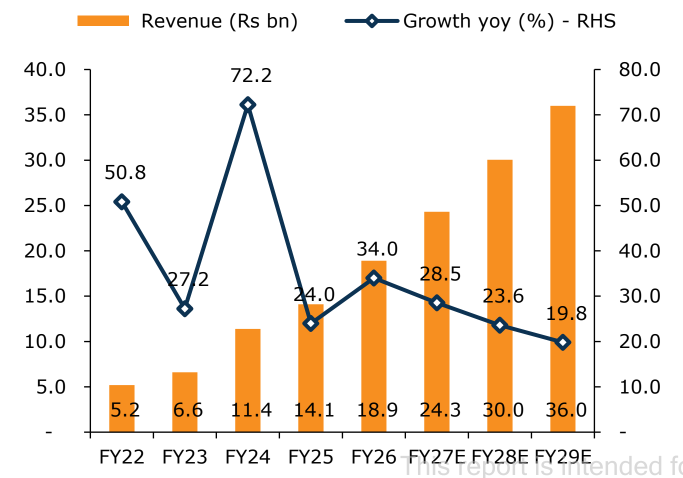
Source: Company, Emkay Research

Exhibit 12: Revenue model – We build in ~24%/30%/37% revenue/EBITDA/PAT CAGR over FY26-29E

GNG Electronics - consol (Rs mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Volume (mn units)	*0.20*	*0.25*	*0.37*	*0.59*	*0.73*	*0.89*	*1.07*	*1.27*
Growth yoy (%)	-	26.8	48.8	60.0	23.1	23.0	20.0	18.0
ASP (Rs)	*26,541*	*26,629*	*30,817*	*23,885*	*26,012*	*27,185*	*28,001*	*28,421*
Growth yoy (%)	-	*0.3*	15.7	(22.5)	8.9	4.5	3.0	1.5
Total Revenue	**5,193**	**6,608**	**11,381**	**14,111**	**18,911**	**24,309**	**30,046**	**36,001**
Growth yoy (%)	***50.8***	***27.2***	***72.2***	***24.0***	***34.0***	***28.5***	***23.6***	***19.8***
Raw materials	4,606	5,802	9,980	11,587	15,101	18,732	23,092	27,597
% of revenue	*88.7*	*87.8*	*87.7*	*82.1*	*79.9*	*77.1*	*76.9*	*76.7*
Employee	94	199	356	771	1,046	1,710	2,068	2,424
% of revenue	*1.8*	*3.0*	*3.1*	*5.5*	*5.5*	*7.0*	*6.9*	*6.7*
Other expenses	188	155	253	585	802	1,169	1,400	1,623
% of revenue	*3.6*	*2.3*	*2.2*	*4.1*	*4.2*	*4.8*	*4.7*	*4.5*
Total expenses	4,887	6,156	10,589	12,942	16,949	21,610	26,560	31,644
Adj EBITDA	**306**	**451**	**793**	**1,169**	**1,962**	**2,699**	**3,486**	**4,357**
EBITDA margin (%)	***5.9***	***6.8***	***7.0***	***8.3***	***10.4***	***11.1***	***11.6***	***12.1***
Growth yoy (%)	*128.3*	*47.7*	*75.7*	*47.5*	*67.9*	*37.6*	*29.2*	*25.0*
Other income	14	32	57	93	43	100	148	155
Growth yoy (%)	(11.8)	126.1	76.3	63.6	(53.2)	129.7	49.0	4.8
Depreciation	11	9	37	95	104	141	155	169
Growth yoy (%)	*22.7*	*(13.0)*	*288.3*	*158.9*	*9.5*	*35.8*	*10.0*	*9.1*
EBIT (ex Interest/dividend income)	**295**	**442**	**756**	**1,074**	**1,858**	**2,559**	**3,332**	**4,189**
EBIT	**309**	**474**	**813**	**1,167**	**1,902**	**2,658**	**3,480**	**4,344**
Interest	81	116	239	384	424	483	520	493
% of total debt	*8.9*	*9.3*	*10.0*	*10.0*	*9.7*	*9.5*	*9.0*	*9.0*
Pre-tax profit	**228**	**358**	**573**	**783**	**1,477**	**2,175**	**2,960**	**3,851**
Total tax	**25**	**30**	**50**	**93**	**157**	**240**	**333**	**445**
Tax rate (%)	*11.0*	*8.2*	*8.8*	*11.9*	*10.6*	*11.0*	*11.2*	*11.5*
Minority interest	1	1	2	2	-	-	-	-
Adj PAT	**204**	**330**	**525**	**692**	**1,320**	**1,935**	**2,627**	**3,406**
Growth yoy (%)	*172.5*	*62.0*	*59.0*	*31.9*	*90.7*	*46.6*	*35.8*	*29.7*
Net margin (%)	***3.9***	***5.0***	***4.6***	***4.9***	***7.0***	***8.0***	***8.7***	***9.5***
Adj EPS (Rs)	**1.8**	**2.9**	**4.6**	**6.1**	**11.6**	**17.0**	**23.0**	**29.9**

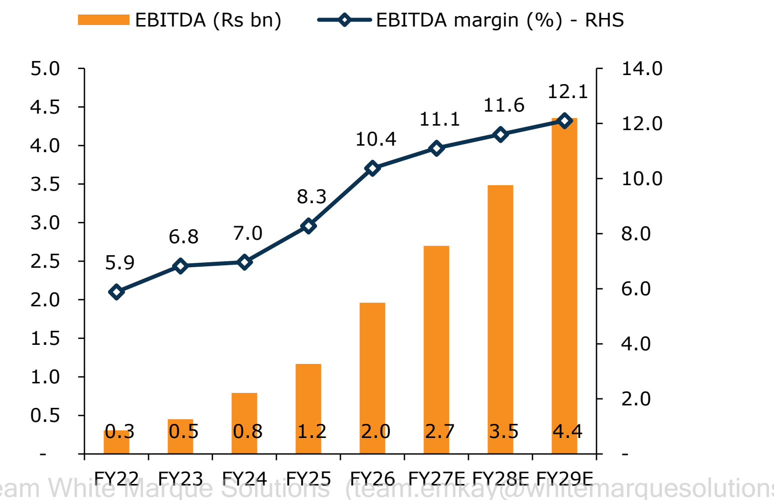
Source: Company, Emkay Research

Exhibit 13: We maintain FY26-29E revenue CAGR of ~24%, driven by rising penetration of refurbished devices, with GNG benefiting from higher ASPs amid rising memory-chip costs



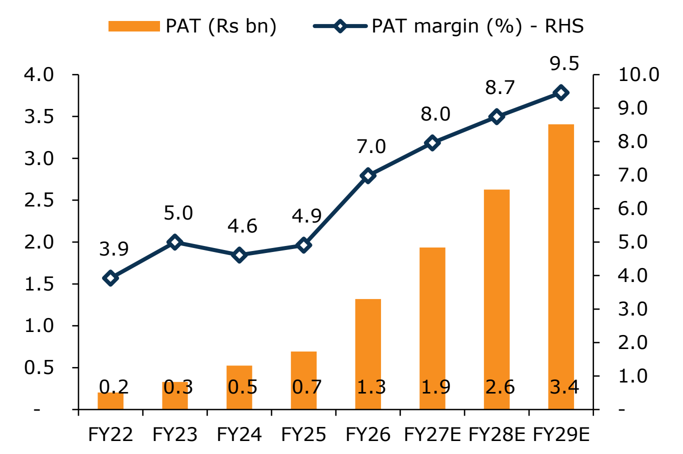
Source: Company, Emkay Research

Exhibit 14: We expect ~30% EBITDA CAGR over FY26-29E, driven by improving GM, operating leverage from scale, and higher ASPs



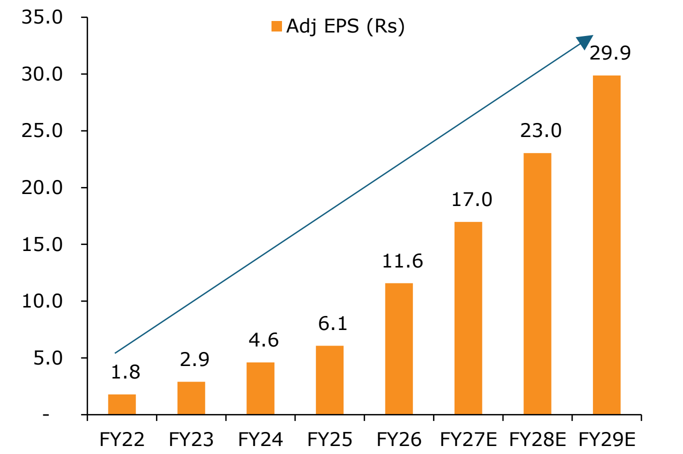
Source: Company, Emkay Research

Exhibit 15: We maintain 37% PAT CAGR over FY26-29E



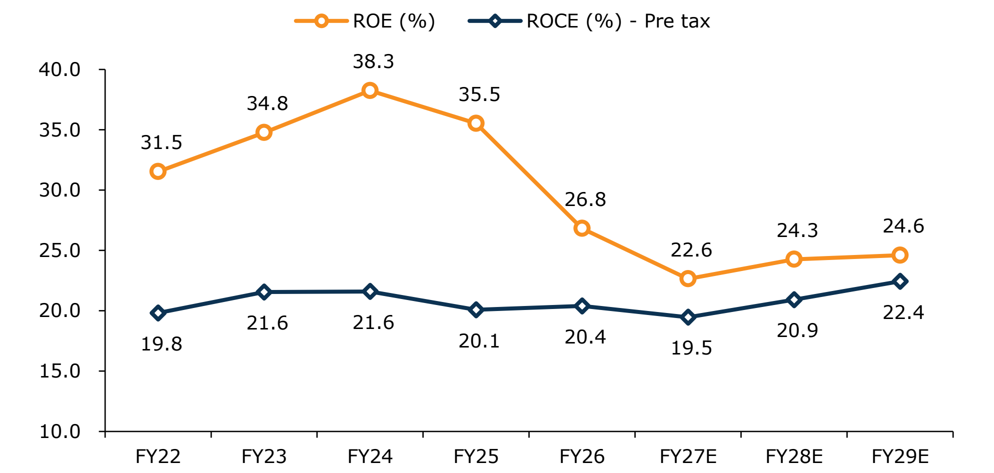
Source: Company, Emkay Research

Exhibit 16: We maintain ~37% adj EPS CAGR over FY26-29E



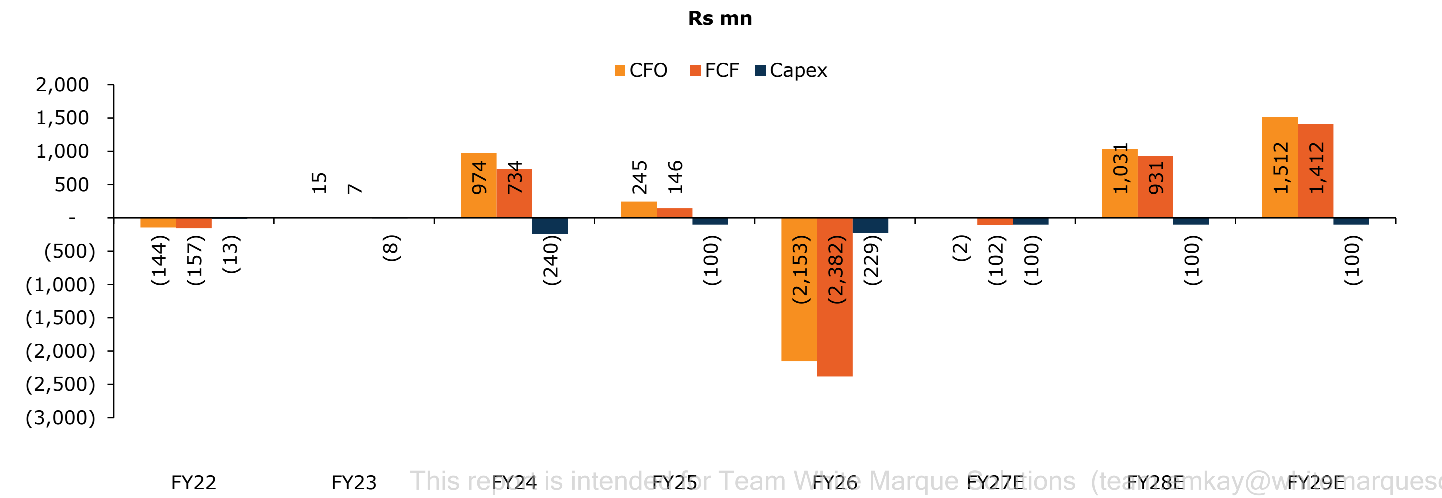
Source: Company, Emkay Research

Exhibit 17: GNG has consistently clocked ~20-22% ROCE and >27% ROE; both moderated in FY26 due to the ~Rs4bn IPO deployment



Source: Company, Emkay Research

Exhibit 18: Negative CFO/FCF in FY26, primarily due to the WC stretch (inventory/receivables) amid higher memory prices and RM supply constraints; expected to turn positive by FY28-29, aided by better profitability and normalization of the WC cycle



Source: Company, Emkay Research

Exhibit 19: We keep our FY27/FY28/FY29 estimates unchanged

Change in estimates	FY26		FY27E				FY28E				FY29E			
	Actual	yoy (%)	Revised	Earlier	Change (%)	yoy (%)	Revised	Earlier	Change (%)	yoy (%)	Revised	Earlier	Change (%)	yoy (%)
Volume (mn units)	0.73	23.1	0.89	0.89	-	23.0	1.07	1.07	-	20.0	1.27	1.27	-	18.0
ASP (Rs)	26,012	8.9	27,185	27,183	0.0	4.5	28,001	27,998	0.0	3.0	28,421	28,418	0.0	1.5
Revenue	18,911	34.0	24,309	24,298	0.0	28.5	30,046	30,033	0.0	23.6	36,001	35,970	0.1	19.8
EBITDA	1,962	67.9	2,699	2,691	0.3	37.6	3,486	3,476	0.3	29.2	4,357	4,343	0.3	25.0
EBITDA margin (%)	10.4	*209 bps*	11.1	11.1	*0 bps*	*73 bps*	11.6	11.6	*0 bps*	*50 bps*	12.1	12.1	*0 bps*	*50 bps*
PBT	1,477	88.6	2,175	2,167	0.4	47.2	2,960	2,949	0.4	36.1	3,851	3,836	0.4	30.1
Adj PAT	1,320	90.7	1,935	1,928	0.4	46.6	2,627	2,618	0.3	35.8	3,406	3,394	0.4	29.7
Net margin (%)	7.0	*208 bps*	8.0	7.9	*6 bps*	*98 bps*	8.7	8.7	*4 bps*	*78 bps*	9.5	9.4	*6 bps*	*72 bps*
EPS	11.6	90.7	17.0	16.9	0.4	46.6	23.0	23.0	0.2	35.8	29.9	29.8	0.3	29.7

Source: Company, Emkay Research

Exhibit 20: DCF calculation – Our TP implies 27x Sep-28E PER

Particulars (Rs bn)	**FY27E**	**FY28E**	**FY29E**	**FY30E**	**FY31E**	**FY32E**	**FY33E**	**FY34E**	**FY35E**	**FY36E**	**FY37E**	**FY38E**	**FY39E**	**FY40E**
Revenue	**24.3**	**30.0**	**36.0**	**43.2**	**51.8**	**61.2**	**72.2**	**83.0**	**95.5**	**107.4**	**120.8**	**132.9**	**146.2**	**160.8**
Growth yoy (%)	*28.5*	*23.6*	*19.8*	*20.0*	*20.0*	*18.0*	*18.0*	*15.0*	*15.0*	*12.5*	*12.5*	*10.0*	*10.0*	*10.0*
EBITDA	**2.7**	**3.5**	**4.4**	**5.3**	**6.5**	**7.8**	**9.3**	**10.8**	**12.7**	**14.4**	**16.4**	**18.4**	**20.3**	**22.7**
Growth yoy (%)	*37.6*	*29.2*	*25.0*	*22.0*	*21.5*	*20.4*	*19.4*	*16.3*	*17.2*	*13.8*	*14.2*	*12.0*	*10.4*	*11.6*
EBITDA margin (%)	*11.1*	*11.6*	*12.1*	*12.3*	*12.5*	*12.7*	*12.9*	*13.0*	*13.3*	*13.4*	*13.6*	*13.9*	*13.9*	*14.1*
Less: Depreciation	(0.1)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.4)	(0.4)	(0.5)	(0.6)	(0.7)	(0.8)	(0.9)	(1.0)
Add: Other income	0.1	0.1	0.2	0.2	0.3	0.4	0.6	0.8	1.1	1.6	2.3	3.3	4.8	7.0
EBIT (incl other income)	**2,658**	**3,480**	**4,344**	**5,322**	**6,473**	**7,840**	**9,446**	**11,127**	**13,240**	**15,388**	**18,028**	**20,926**	**24,230**	**28,649**
Less: Tax	(0.2)	(0.3)	(0.4)	(0.6)	(0.8)	(1.0)	(1.2)	(1.5)	(1.9)	(2.3)	(2.8)	(3.3)	(4.0)	(4.8)
Tax rate (%)	*(11.0)*	*(11.2)*	*(11.5)*	*(12.0)*	*(12.5)*	*(13.0)*	*(13.5)*	*(14.0)*	*(14.5)*	*(15.0)*	*(15.5)*	*(16.0)*	*(16.5)*	*(17.0)*
NOPAT	**2.4**	**3.1**	**3.9**	**4.7**	**5.7**	**6.9**	**8.2**	**9.6**	**11.3**	**13.1**	**15.3**	**17.6**	**20.3**	**23.8**
Add: Depreciation	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.6	0.7	0.8	0.9	1.0
NOPAT (incl Depreciation)	**2.6**	**3.3**	**4.1**	**4.9**	**6.0**	**7.2**	**8.6**	**10.0**	**11.8**	**13.7**	**16.0**	**18.4**	**21.2**	**24.8**
Less: Capex	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Capex as a % of gross block (%)	*0.1*	*0.1*	*0.1*	*0.3*	*0.2*	*0.2*	*0.2*	*0.1*	*0.1*	*0.2*	*0.2*	*0.1*	*0.1*	*0.1*
Capex as a % of sales (%)	*0.4*	*0.3*	*0.3*	*1.2*	*1.0*	*0.8*	*0.7*	*0.6*	*0.5*	*0.9*	*0.8*	*0.8*	*0.7*	*0.6*
Less: Changes in WC	(2.5)	(2.1)	(2.4)	(2.8)	(3.4)	(3.7)	(4.4)	(4.2)	(5.1)	(4.8)	(5.3)	(4.7)	(5.1)	(5.6)
Net WC days (no of)	*187*	*177*	*172*	*167*	*163*	*160*	*158*	*156*	*155*	*154*	*153*	*152*	*151*	*150*
FCF	**(0.0)**	**1.1**	**1.6**	**1.6**	**2.1**	**3.0**	**3.7**	**5.3**	**6.3**	**7.9**	**9.6**	**12.7**	**15.0**	**18.2**
PV factor as per WACC	1.0	0.9	0.8	0.7	0.6	0.6	0.5	0.4	0.4	0.4	0.3	0.3	0.2	0.2
PV of FCF	**30.0**													
PV of terminal value	**57.2**													
Less: Net debt	3.6													
Total market cap	**83.6**													
No of shares (mn)	114													
Target value per share (Rs)	**733**													
Round off (Rs)	**725**													
CMP (Rs)	**676**													
Upside (%)	**7**													

Source: Company, Emkay Research

GNG Electronics: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**14,111**	**18,911**	**24,309**	**30,046**	**36,001**
Revenue growth (%)	24.0	34.0	28.5	23.6	19.8
EBITDA	**1,169**	**1,962**	**2,699**	**3,486**	**4,357**
EBITDA growth (%)	47.5	67.9	37.6	29.2	25.0
Depreciation & Amortization	95	104	141	155	169
EBIT	**1,074**	**1,858**	**2,559**	**3,332**	**4,189**
EBIT growth (%)	42.1	73.0	37.7	30.2	25.7
Other operating income	-	-	-	-	-
Other income	93	43	100	148	155
Financial expense	384	424	483	520	493
PBT	**783**	**1,477**	**2,175**	**2,960**	**3,851**
Extraordinary items	0	0	0	0	0
Taxes	93	157	240	333	445
Minority interest	2	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**692**	**1,320**	**1,935**	**2,627**	**3,406**
PAT growth (%)	31.9	90.7	46.6	35.8	29.7
Adjusted PAT	**692**	**1,320**	**1,935**	**2,627**	**3,406**
Diluted EPS (Rs)	**6.1**	**11.6**	**17.0**	**23.0**	**29.9**
Diluted EPS growth (%)	31.9	90.7	46.6	35.8	29.7
DPS (Rs)	**0**	**0**	**0**	**0**	**0**
Dividend payout (%)	**0**	**0**	**0**	**0**	**0**
EBITDA margin (%)	8.3	10.4	11.1	11.6	12.1
EBIT margin (%)	7.6	9.8	10.5	11.1	11.6
Effective tax rate (%)	11.9	10.6	11.0	11.2	11.5
NOPLAT (pre-IndAS)	**947**	**1,660**	**2,276**	**2,957**	**3,705**
Shares outstanding (mn)	97	114	114	114	114

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	194	228	228	228	228
Reserves & Surplus	2,070	7,350	9,285	11,912	15,319
Net worth	**2,265**	**7,578**	**9,513**	**12,140**	**15,547**
Minority interests	7	15	15	15	15
Non-current liab. & prov.	19	15	15	15	15
Total debt	**4,412**	**4,331**	**5,831**	**5,731**	**5,231**
Total liabilities & equity	**6,702**	**11,940**	**15,375**	**17,902**	**20,808**
Net tangible fixed assets	413	737	696	642	573
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	0	0	0	0	0
Goodwill	-	-	-	-	-
Investments [JV/Associates]	-	-	-	-	-
Cash & equivalents	**608**	**1,182**	**2,199**	**2,660**	**3,236**
Current assets (ex-cash)	6,174	10,621	13,318	15,636	18,241
Current Liab. & Prov.	493	600	838	1,036	1,241
NWC (ex-cash)	**5,681**	**10,021**	**12,480**	**14,600**	**17,000**
Total assets	**6,702**	**11,940**	**15,375**	**17,902**	**20,808**
Net debt	3,804	3,149	3,633	3,072	1,996
Capital employed	6,702	11,940	15,375	17,902	20,808
Invested capital	**6,095**	**10,758**	**13,176**	**15,242**	**17,573**
BVPS (Rs)	23.3	66.5	83.4	106.5	136.4
Net Debt/Equity (x)	1.7	0.4	0.4	0.3	0.1
Net Debt/EBITDA (x)	3.3	1.6	1.3	0.9	0.5
Interest coverage (x)	3.0	4.5	5.5	6.7	8.8
RoCE (%)	**20.1**	**20.4**	**19.5**	**20.9**	**22.5**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	783	1,477	2,175	2,960	3,851
Others (non-cash items)	3	224	0	0	0
Taxes paid	(83)	(157)	(240)	(333)	(445)
Change in NWC	(884)	(4,208)	(2,461)	(2,122)	(2,401)
Operating cash flow	**245**	**(2,153)**	**(2)**	**1,031**	**1,512**
Capital expenditure	(100)	(229)	(100)	(100)	(100)
Acquisition of business	-	-	-	-	-
Interest & dividend income	52	28	0	0	0
Investing cash flow	**26**	**(455)**	**(100)**	**(100)**	**(100)**
Equity raised/(repaid)	0	4,000	0	0	0
Debt raised/(repaid)	41	(286)	1,500	(100)	(500)
Payment of lease liabilities	-	-	-	-	-
Interest paid	(384)	(406)	(383)	(372)	(338)
Dividend paid (incl tax)	-	-	-	-	-
Others	0	205	2	2	2
Financing cash flow	**(343)**	**3,513**	**1,119**	**(470)**	**(836)**
Net chg in Cash	(71)	905	1,017	461	576
OCF	245	(2,153)	(2)	1,031	1,512
Adj. OCF (w/o NWC chg.)	1,130	2,055	2,459	3,154	3,913
FCFF	146	(2,382)	(102)	931	1,412
FCFE	(186)	(2,778)	(585)	411	918
OCF/EBITDA (%)	21.0	(109.8)	(0.1)	29.6	34.7
FCFE/PAT (%)	(26.9)	(210.4)	(30.2)	15.6	27.0
FCFF/NOPLAT (%)	**15.4**	**(143.4)**	**(4.5)**	**31.5**	**38.1**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	94.8	58.4	39.8	29.3	22.6
EV/CE(x)	10.2	5.7	4.4	3.8	3.3
P/B (x)	29.0	10.2	8.1	6.3	5.0
EV/Sales (x)	4.8	3.6	2.8	2.3	1.9
EV/EBITDA (x)	58.3	34.8	25.3	19.6	15.6
EV/EBIT(x)	63.5	36.7	26.6	20.5	16.3
EV/IC (x)	11.2	6.3	5.2	4.5	3.9
FCFF yield (%)	0.2	(3.5)	(0.1)	1.4	2.1
FCFE yield (%)	(0.2)	(3.6)	(0.8)	0.5	1.2
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	4.9	7.0	8.0	8.7	9.5
Total asset turnover (x)	2.4	2.0	1.8	1.8	1.9
Assets/Equity (x)	3.0	1.9	1.6	1.5	1.4
RoE (%)	**35.5**	**26.8**	**22.6**	**24.3**	**24.6**
DuPont-RoIC					
NOPLAT margin (%)	6.7	8.8	9.4	9.8	10.3
IC turnover (x)	2.7	2.2	2.0	2.1	2.2
RoIC (%)	**18.4**	**19.7**	**19.0**	**20.8**	**22.6**
Operating metrics					
Core NWC days	147.0	193.4	187.4	177.4	172.4
Total NWC days	**147.0**	**193.4**	**187.4**	**177.4**	**172.4**
Fixed asset turnover	28.6	25.5	24.2	27.2	29.9
Opex-to-revenue (%)	9.6	9.8	11.8	11.5	11.2

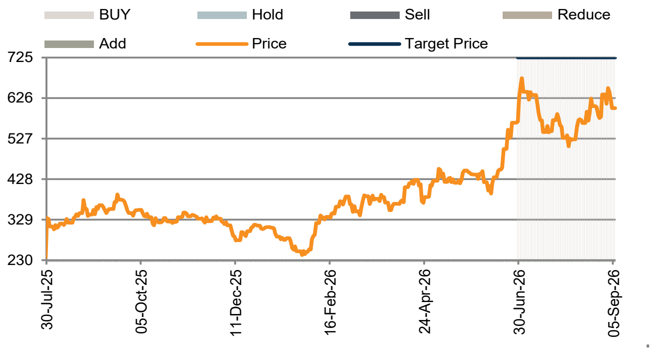
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
31-Jul-26	529	725	Buy	Chirag Jain
29-Jun-26	569	725	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall 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. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. 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.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL . All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, 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 or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons1 may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests2 in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

[1] An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report-:

1. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of September 09, 2026
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of September 09, 2026
5. EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the September 09, 2026
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
8. EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) -:

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

Seshadri Kumar Sen

Digitally signed by Seshadri Kumar Sen
Date: 2026.09.09 22:15:54 +05'30'