BUY Gopal Snacks

Delayed commissioning of Modasa capacity hurts recovery

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Consumer Goods | Result Update | **November 12, 2025** | **CMP (Rs): 336 | TP (Rs): 500**

We maintain BUY on Gopal Snacks, while cutting Sep-26E TP by ~9% (on the earnings cut) to Rs500, on 40x P/E, as we factor in the delayed commissioning of the Modasa capacity. Q2 show was weak, on persisting supply-chain issues. With the management expecting gradual ramp-up of the Modasa capacity in Nov-25, we estimate a sales recovery from Q4FY26.The management refrained from guiding on revenue, given that it missed guidance in the past. With apt actions in place for trade (execution key) and roll out of the media campaign, the management sees an execution-driven recovery ahead. With recovery in topline, we see a profitability bounce-back too.

Revenue pick up, with Modasa commissioning key ahead

Gopal Snacks reported 7% YoY decline in revenue, with sales impacted by the GST transition hiccup (to see full recovery in Q3) and supply-chain constraints. The 4-5M delay in commissioning of the Modasa plant led to Gopal losing out on revenue acceleration in Q3, with benefit of the supply-chain improvement likely being restricted to Dec-25 . Gopal is in the process of going on air about its pan-India media roll-out. This, with trade intervention, is likely to help sequential recovery in sales. Amid sustained hiccups, the management refrained from giving topline guidance for 2HFY26; we believe the benefit will now flow from Q4. Execution would be key, with Gopal looking to recover its consumer base in the next six months. To enhance its endeavors in other states, Gopal has entered a 3P arrangement in Uttarakhand and Karnataka which will focus on the North and South markets, respectively. Its new product interventions in popcorn, wafer biscuits, and now Jeera Papad are accretive and seeing business sustainability. Also, to enhance its play in Gujarat, Gopal is looking at M&A opportunities at a budget of Rs2bn.

Margin pressure hurts Q2 earnings delivery; capacity recoup to aid earnings

Gross margin contracted by 255bps YoY to 26.4%. the management has guided for a similar gross margin in 2HFY26. In Q2, Gopal saw deflation of 6% YoY in *chana*, 18% in *udad mogar*, and 4% in laminates, while seeing inflation of 26% YoY in palm oil. Potato prices were stable YoY. The company is looking to reduce palm-oil exposure, with non-palm-oil product salience at 25% in the next 3-5Y. EBITDA margin at 6.4% in Q2 contracted by 520bps YoY, while expanding by 170bps QoQ. A&P spending in Q2 stood at 1.6%. EBITDA declined 48% YoY, given margin pressure, though it stood 3% above our expectations. Earnings declined 86% YoY. With the sales recovery, we see earnings delivery also recovering, from Q3. Factoring in the Q2 delivery and given the guidance, we reduce FY26E earnings by 29%; FY27-28E earnings stand reduced by ~10%.

Valuation to factor in recovery in topline; retain BUY on hope of better execution

Gopal Snacks has been on a recovery journey in topline after the fire incident in Dec-24. Now, with most of its capacity in place, we see the stock factoring in a topline recovery ahead. We maintain BUY on Gopal Snacks and cut Sep-26E TP by 9.1% to Rs500.

Target Price – 12M	Sep-26
Change in TP (%)	**(9.1)**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	48.8

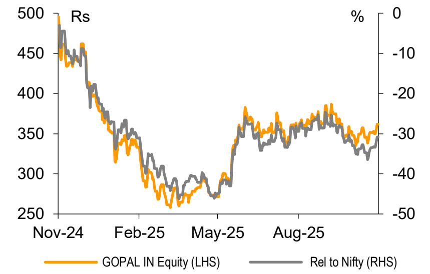
Stock Data	**GOPAL IN**
52-week High (Rs)	497
52-week Low (Rs)	253
Shares outstanding (mn)	124.6
Market-cap (Rs bn)	42
Market-cap (USD mn)	473
Net-debt, FY26E (Rs mn)	309.3
ADTV-3M (mn shares)	0
ADTV-3M (Rs mn)	68.6
ADTV-3M (USD mn)	0.8
Free float (%)	18.5
Nifty-50	25,694.9
INR/USD	88.6

Shareholding,Sep-25	
Promoters (%)	81.5
FPIs/MFs (%)	0.9/6.7

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	(3.3)	(7.3)	(30.0)
Rel. to Nifty	(4.9)	(11.3)	(34.2)

1-Year share price trend (Rs)



Gopal Snacks: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	14,026	14,680	15,903	18,881	22,010
EBITDA	1,685	1,052	1,286	2,147	2,814
Adj. PAT	997	558	565	1,293	1,820
Adj. EPS (Rs)	8.0	4.5	4.5	10.4	14.6
EBITDA margin (%)	12.0	7.2	8.1	11.4	12.8
EBITDA growth (%)	(14.1)	(37.6)	22.3	66.9	31.1
Adj. EPS growth (%)	(11.3)	(44.0)	1.3	128.8	40.7
RoE (%)	29.3	14.0	13.3	26.3	30.3
RoIC (%)	25.6	12.8	13.0	26.1	32.5
P/E (x)	42.0	220.6	74.1	32.4	23.0
EV/EBITDA (x)	25.1	40.2	32.9	19.7	15.0
P/B (x)	10.7	10.4	9.4	7.8	6.3
FCFF yield (%)	0.9	0.1	1.2	1.9	3.2

Source: Company, Emkay Research

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Management commentary

- Gopal Snacks is gradually recovering from earlier supply-chain disruptions, with the Modasa plant now ramping up production and expected to partially contribute in Q3 and fully in Q4.
- The Modasa commissioning will reduce dependence on Gondal for dispatches and improve logistics efficiency across Saurashtra and Gujarat.
- Double servicing in Gujarat which was paused amid supply issues has now been reinstated, thus strengthening throughput and availability in urban markets.
- Over the next 2–3 years, the management aims to deepen Gujarat distribution, currently spanning ~225k outlets through 324 distributors, targeting a 30–40% rise in throughput per outlet.
- The Nagpur facility will serve as a central hub catering to a 350km radius, improving depth and width in Maharashtra and Madhya Pradesh, while smaller hubs serving a 200km radius are being developed in North and South India to increase the company footprint.
- The company has added new third-party manufacturing facilities in Karnataka (Hiryur) and Uttarakhand (Kashipur), with combined capacity of around 10,000mtpa, enabling better coverage of the southern and northern markets.
- The Modasa and Nagpur plants are expected to drive a scale-up, while the Rajkot revamp will streamline capacity utilization by shifting volumes from Gondal.
- Current capacity utilization stands at 41–45%, with full utilization expected within 2–2.5 years, and no major new capex planned beyond ongoing projects.
- A new *besan* line is being added at the Nagpur facility, to expand the product mix and strengthen in-home consumption offerings.
- The company continues to focus on a healthier, diversified portfolio, targeting a 25% reduction in palm oil-dependent products over the next 3–5 years.
- Recent launches such as popcorn, wafer biscuits, and jeera-papad have witnessed encouraging traction, particularly in Gujarat.
- The wafer category, although an aspirational segment, remains under-penetrated due to earlier price hikes and a 17% gap versus competitors, though the management expects momentum to improve as the gap narrows and supply stabilizes.
- The company is prioritising growth in the inside-home consumption basket, ensuring no cannibalization within Gujarat's strong product portfolio.
- Core marketing spends are being directed toward Gujarat, where returns are the highest, and a new television campaign has been launched to enhance brand visibility.
- Non-core state expansion is anchored around the Nagpur hub for western and central India, with additional small hubs planned in the North and South to improve last-mile reach.
- Realization gains are being driven by larger packs and a premium product mix, while smaller packs have maintained margins through improved retention.
- The Board has authorised MD Bipinbhai Hadvani to explore M&A opportunities of up to Rs2billion in adjacent categories within the Gujarat snacking ecosystem, with focus on in-home consumption.
- The management has refrained from issuing forward guidance post commissioning delay, though it remains confident of sequential improvement in sales and profitability over the next 6–7 months.

Quarterly performance

Exhibit 1: Quarterly performance

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue	**3,495**	**3,989**	**3,936**	**3,167**	**3,222**	**3,700**
growth	*9.7%*	*12.1%*	*7.1%*	*-9.8%*	*-7.8%*	*-7.2%*
Other operating income	48	38	0	8	-	56
Sales	**3,543**	**4,026**	**3,936**	**3,175**	**3,222**	**3,757**
growth	*11.2%*	*12.6%*	*7.1%*	*-11.5%*	*-9.1%*	*-6.7%*
COGS	2,515	2,860	3,094	2,534	2,385	2,765
growth	*15.1%*	*12.2%*	*14.1%*	*-1.8%*	*-5.2%*	*-3.3%*
% to sales	*71.0%*	*71.0%*	*78.6%*	*79.8%*	*74.0%*	*73.6%*
Gross profit	**1,028**	**1,166**	**842**	**641**	**837**	**992**
Gross margin	*29.0%*	*29.0%*	*21.4%*	*20.2%*	*26.0%*	*26.4%*
bps change (YoY)	*-239bps*	*25bps*	*-486bps*	*-788bps*	*-303bps*	*-256bps*
Staff costs	295	283	282	274	288	302
growth	*24.8%*	*14.4%*	*7.3%*	*-0.9%*	*-2.3%*	*6.5%*
% to sales	*8.3%*	*7.0%*	*7.2%*	*8.6%*	*9.0%*	*8.0%*
bps change (YoY)	*91bps*	*11bps*	*1bps*	*92bps*	*62bps*	*99bps*
Other expenses	324	415	405	347	397	449
growth	*17.3%*	*28.0%*	*16.0%*	*1.3%*	*22.4%*	*8.1%*
% to sales	*9.1%*	*10.3%*	*10.3%*	*10.9%*	*12.3%*	*11.9%*
bps change (YoY)	*47bps*	*124bps*	*79bps*	*138bps*	*316bps*	*163bps*
EBITDA	**409**	**468**	**155**	**20**	**152**	**241**
growth	*-16.1%*	*2.7%*	*-56.0%*	*-94.8%*	*-62.8%*	*-48.4%*
EBITDA margin	*11.5%*	*11.6%*	*3.9%*	*0.6%*	*4.7%*	*6.4%*
bps change	*-376bps*	*-111bps*	*-566bps*	*-1018bps*	*-682bps*	*-519bps*
Depreciation	81	83	85	83	82	90
Interest	16	8	2	7	20	19
Other income	18	12	7	18	3	2
PBT	**330**	**388**	**75**	**-51**	**53**	**134**
growth	*-14.9%*	*7.2%*	*-71.6%*	*-117.0%*	*-84.0%*	*-65.4%*
Tax	88	99	22	-34	30	93
Effective tax rate	*26.5%*	*25.6%*	*29.2%*	*65.6%*	*56.4%*	*69.0%*
Adj PAT	**242**	**289**	**53**	**-18**	**23**	**42**
growth	*-14.5%*	*6.2%*	*-70.2%*	*-106.8%*	*-90.5%*	*-85.6%*
Net profit margin	*6.8%*	*7.2%*	*1.4%*	*-0.6%*	*0.7%*	*1.1%*
Exceptional				377	-2	-215
Reported PAT	**242**	**289**	**53**	**-395**	**25**	**256.9**
EPS (Rs)	1.9	2.3	0.4	-0.1	0.2	0.3

Source: Company, Emkay Research

Exhibit 2: Segmental revenue trend

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Gathiya	**1,008**	**1,076**	**994**	**914**	**937**	**980**
- Revenue growth	9.4%	13.4%	-1.6%	-7.8%	-7.0%	-8.9%
- Contribution	30%	28%	27%	31%	30%	28%
- Packs sold	259.0	276.0	261.0	238.0	246.0	256.0
- Packs sold growth	17.7%	15.5%	1.6%	-5.6%	-5.0%	-7.2%
- Realization/pack	3.9	3.9	3.8	3.8	3.8	3.8
- growth	-7.0%	-1.8%	-3.1%	-2.4%	-2.1%	-1.8%
Namkeen	**949**	**1,086**	**927**	**748**	**793**	**917**
- Revenue growth	4.1%	7.3%	-6.1%	-20.8%	-16.4%	-15.5%
- Contribution	28%	28%	26%	25%	26%	26%
- Packs sold	213.0	243.0	213.0	173.0	179.0	204.0
- Packs sold growth	6.5%	8.5%	-4.5%	-18.4%	-16.0%	-16.0%
- Realization/pack	4.5	4.5	4.4	4.3	4.4	4.5
- growth	-2.2%	-1.1%	-1.7%	-3.0%	-0.5%	0.6%
Wafers	**369**	**453**	**485**	**353**	**354**	**414**
- Revenue growth	51.3%	46.8%	48.0%	19.3%	-4.1%	-8.6%
- Contribution	11%	12%	13%	12%	11%	12%
- Packs sold	76.0	87.0	89.0	64.0	65.0	77.0
- Packs sold growth	52.0%	40.3%	39.1%	10.3%	-14.5%	-11.5%
- Realization/pack	4.9	5.2	5.5	5.5	5.4	5.4
- growth	-0.5%	4.6%	6.4%	8.1%	12.1%	3.3%
Pellets and Extruded Snacks	**643**	**761**	**762**	**576**	**607**	**658**
- Revenue growth	-8.1%	-1.8%	-6.2%	-12.2%	-5.6%	-13.5%
- Contribution	19%	20%	21%	19%	20%	19%
- Packs sold	185.0	206.0	209.0	158.0	169.0	184.0
- Packs sold growth	-7.5%	-4.6%	-3.7%	-16.0%	-8.6%	-10.7%
- Realization/pack	3.5	3.7	3.6	3.6	3.6	3.6
- growth	-0.7%	3.0%	-2.6%	4.5%	3.3%	-3.2%
Others	**417**	**461**	**448**	**404**	**393**	**525**
- Revenue growth	24.8%	9.3%	12.8%	-13.2%	-5.7%	13.9%
- Contribution	12%	12%	12%	13%	13%	15%
- Packs sold	32.0	41.0	38.0	35.0	37.0	46.0
- Packs sold growth	60.0%	36.7%	22.6%	9.4%	15.6%	12.2%
- Realization/pack	13.0	11.2	11.8	11.5	10.6	11.4
- growth	-22.0%	-20.0%	-7.9%	-20.7%	-18.5%	1.5%
Others	158	190	320	180	138	263
- Revenue growth	109.9%	70.6%	126.3%	-23.1%	-12.7%	38.0%
Overall Revenue	**3,543**	**4,026**	**3,936**	**3,175**	**3,222**	**3,757**
- Revenue growth	11.2%	12.6%	7.1%	-11.5%	-9.1%	-6.7%

Source: Company, Emkay Research

Exhibit 3: Number of distributors across states

(no of)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Distributors	753	828	874	852	840	858
- Gujarat	**291**	**298**	**290**	**298**	**309**	**311**
- Maharashtra	175	196	196	181	194	191
- UP	97	107	102	103	94	90
- MP	62	69	81	91	81	88
- Rajasthan	42	59	56	43	39	48
- Jharkhand	37	35	41	44	36	39
- Chhattisgarh	16	28	36	36	32	31
- Karnataka	12	10	21	14	14	19
- West Bengal	5	7	9	11	10	11
- Telangana	9	7	14	12	8	6
- Uttarakhand	4	5	6	3	4	4
- Odisha		4	18	13	13	12
- Goa	2	1	2	1	1	3
- Delhi NCR	1	1	1	1	3	2
- Daman and Diu		1	1	1	2	
- Bihar					1	
- Andhra						3

Source: Company, Emkay Research

Exhibit 4: Market-wise revenue and growth trend

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Core state (Gujarat)					
- Revenue	2,856	2,801	2,209	2,223	2,497
- Revenue growth	5.8%	1.4%	-14.4%	-12.3%	-12.6%
- Contribution	**70.9%**	**71.2%**	**69.6%**	**69.0%**	**66.5%**
Focus states (Madhya Pradesh, Maharashtra, Rajasthan, and Uttar Pradesh)					
- Revenue	994	907	822	848	1,088
- Revenue growth	29.3%	19.7%	-4.0%	-3.0%	9.5%
- Contribution	**24.7%**	**23.0%**	**25.9%**	**26.3%**	**29.0%**
Other states (Delhi, Chhattisgarh, Goa, Jharkhand, Karnataka, Odisha, Telangana, Uttarakhand, West Bengal, and Daman and Diu)					
- Revenue	169	214	141	145	171
- Revenue growth	76.0%	48.6%	-1.4%	19.8%	1.2%
- Contribution	**4.2%**	**5.4%**	**4.4%**	**4.5%**	**4.6%**
Exports					
- Revenue	7	14	3	6	1
- Revenue growth	-39.1%	16.1%	-62.2%	-56.0%	-91.9%

Source: Company, Emkay Research

Exhibit 5: SKU revenue contribution

SKU	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Rs5					
- Revenue (Rs mn)	2,520	2,271	1,950	2,035	2,306
- Contribution	65.7%	62.8%	65.1%	66.0%	66.0%
Rs10					
- Revenue (Rs mn)	549	495	422	432	489
- Revenue growth	14.3%	13.7%	14.1%	14.0%	14.0%
Rs10+					
- Revenue (Rs mn)	767	850	623	617	699
- Revenue growth	20.0%	23.5%	20.8%	20.0%	20.0%

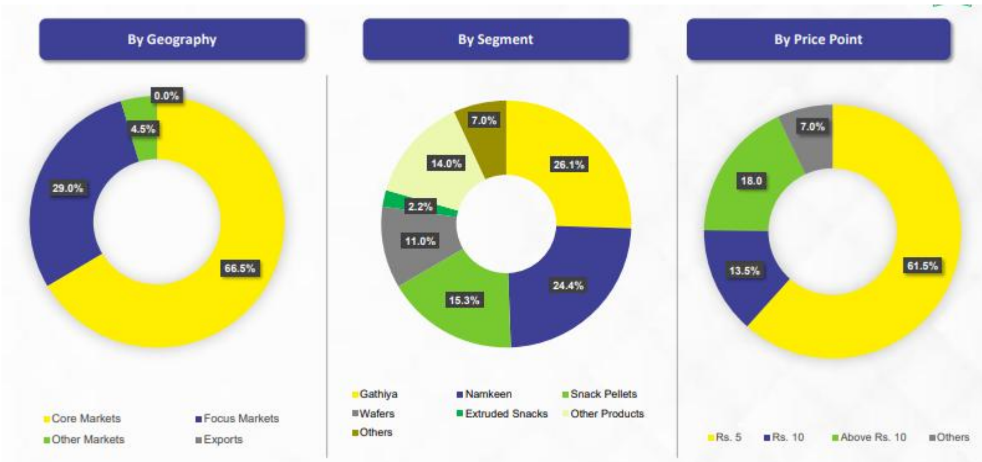
Source: Company, Emkay Research

Exhibit 6: Segment overview – Q2FY26

Product Types	Gathiya	Namkeen	Snack Pellets	Wafers	Extruded Snacks	Papad	Besan	Spices	Other Products*
# Products	8	31	13	11	8	3	1	6	14
Installed Capacity (Sep-25)	61,721 MT	79,317 MT	31,372 MT	12,503 MT	7,161 MT	9,920 MT	46,345 MT	9,207 MT	-
Capacity Utilisation (Sep-25)	42%	32%	44%	59%	36%	20%	71%	10%	-
Revenue Contribution (Sep-25)	26%	24%	15%	11%	2%	3%	7%	1%	4%

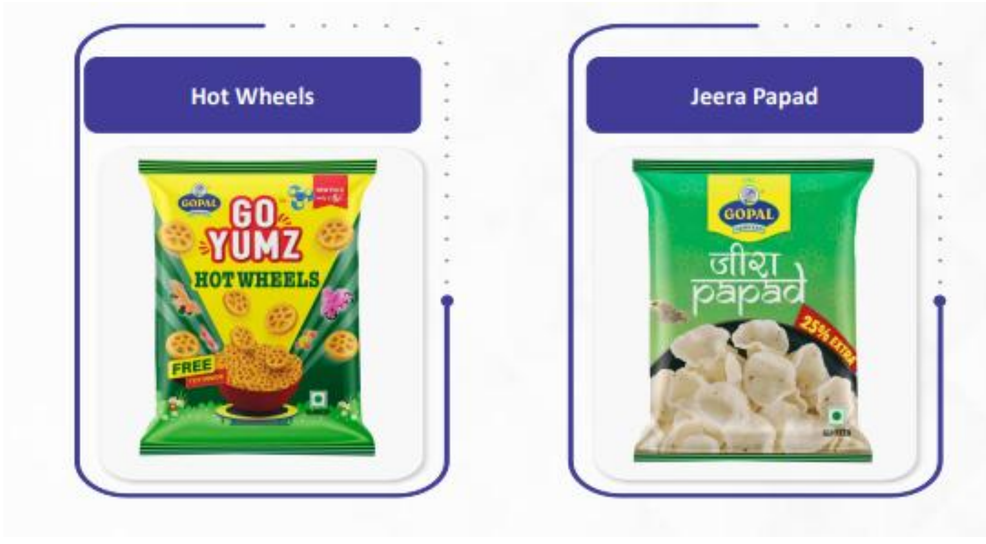
Source: Company, Emkay Research
**Other Products include Noodles, Rusk, Chikki, Flour, Jaggery, Wafer, Biscuit, Beauty Soap, and Washing Bar; balance revenue contribution of 7% comes from other products like sale of by-product, raw materials, and subsidy*

Exhibit 7: Revenue concentration by geography, segment, and price point



Source: Company, Emkay Research

Exhibit 8: New product launches



Source: Company, Emkay Research

Exhibit 9: Installed capacity

(mt)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Gathiya	92,411	38,874	61,721	61,721	61,721
Namkeen	114,610	50,127	73,861	79,317	79,317
Snack Pellets	68,882	13,640	31,372	31,372	31,372
Wafers	11,367	12,503	12,503	12,503	12,503
Extruded	6,479	3,069	3,069	7,161	7,161
Papad	9,920	9,920	9,920	9,920	9,920
Besan	46,345	46,345	46,345	46,345	46,345
Spices	9,207	9,207	9,207	9,207	9,207

Source: Company, Emkay Research

Exhibit 10: Raw material price trend

	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Palm olein oil (Rs/kg)	106.0	102.0	93.0	82.0	81.0	85.0	90.2	91.1	121.8	131.8	118.2	114.8
YoY change			-28%	-29%	-24%	-17%	-3%	11%	50%	55%	31%	26%
Chana (Rs/kg)	45.0	48.0	50.0	51.0	56.0	57.0	58.5	61.0	63.0	57.6	52.7	57.3
YoY change			6%	13%	24%	19%	17%	20%	13%	1%	-10%	-6%
Potato LR (Rs/kg)	19.0	12.0	13.0	13.0	13.0	12.0	14.7	14.7	23.4	18.7	15.1	14.8
YoY change			18%	18%	-32%	0%	13%	13%	80%	56%	3%	1%
Maida unbranded (Rs/kg)	30.0	31.0	26.0	28.0	29.0	28.0	26.8	29.4	33.0	33.9	25.7	30.3
YoY change			0%	0%	-3%	-10%	3%	5%	14%	21%	-4%	3%
Udad Mogar (Rs/kg)	93.0	91.0	95.0	104.0	118.0	119.0	117.8	118.8	114.0	109.5	99.0	97.4
YoY change			2%	7%	27%	31%	24%	14%	-3%	-8%	-16%	-18%
Laminate (Rs/kg)	205.0	200.0	197.0	201.0	200.0	184.0	175.3	183.2	183.2	189.5	173.6	175.9
YoY change			-21%	-12%	-2%	-8%	-11%	-9%	-8%	3%	-1%	-4%

Source: Company, Emkay Research

Exhibit 11: Changes to our estimates

(Rs mn)	New estimates			Old estimates			Changes to estimates		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	15,903	18,881	22,010	16,336	19,262	22,409	-3%	-2%	-2%
- Growth	8.3%	18.7%	16.6%	11.3%	17.9%	16.3%			
EBITDA	1,286	2,147	2,814	1,456	2,246	2,912	-12%	-4%	-3%
- Growth	22.3%	66.9%	31.1%	38.4%	54.3%	29.6%			
Margin	8.1%	11.4%	12.8%	8.9%	11.7%	13.0%			
Adj PAT	565	1,293	1,820	797	1,424	2,029	-29%	-9%	-10%
- Growth	197.5%	128.8%	40.7%	319.5%	78.7%	42.5%			
EPS (Rs)	4.5	10.4	14.6	6.40	11.43	16.29	-29%	-9%	-10%

Source: Company, Emkay Research

Exhibit 12: Key assumptions

Key assumptions	FY21	FY22	FY23	FY24	FY25A	FY26E	FY27E	FY28E
Income statement								
Revenue growth	27.4%	19.8%	3.1%	0.6%	4.7%	8.3%	18.7%	16.6%
EBITDA growth	-29.7%	57.1%	107.0%	-14.1%	-37.6%	22.3%	66.9%	31.1%
EBIT growth	-43.8%	74.9%	149.4%	-16.4%	-45.8%	22.3%	91.9%	36.6%
PBT growth	-54.3%	104.0%	180.9%	-13.1%	-43.7%	17.1%	98.3%	40.7%
Adjusted PAT growth	-52.0%	96.7%	170.5%	-11.3%	-80.9%	197.5%	128.8%	40.7%
Gross margin	18.1%	20.6%	28.4%	28.5%	25.0%	26.5%	28.5%	29.0%
EBITDA margin	5.3%	7.0%	14.1%	12.0%	7.2%	8.1%	11.4%	12.8%
Balance sheet								
Inventory days (no of)	28	24	38	54	39	40	40	40
Receivable days (no of)	2	4	3	8	6	6	6	6
Payable days (no of)	6	2	2	5	4	5	5	5
Fixed assets-to-turnover (x)	7	7	6	6	6	7	7	8
Avg ROE (%)	16.4%	26.5%	48.0%	29.3%	4.8%	13.3%	26.3%	30.3%
Avg ROCE (%)	15.8%	21.8%	43.5%	31.8%	16.6%	18.9%	31.8%	37.5%

Source: Company, Emkay Research

Gopal Snacks: Standalone Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**14,026**	**14,680**	**15,903**	**18,881**	**22,010**
Revenue growth (%)	0.6	4.7	8.3	18.7	16.6
EBITDA	**1,685**	**1,052**	**1,286**	**2,147**	**2,814**
EBITDA growth (%)	(14.1)	(37.6)	22.3	66.9	31.1
Depreciation & Amortization	358	332	406	456	504
EBIT	**1,328**	**720**	**881**	**1,690**	**2,309**
EBIT growth (%)	(16.4)	(45.8)	22.3	91.9	36.6
Other operating income	-	-	-	-	-
Other income	44	56	55	100	150
Financial expense	53	34	66	66	33
PBT	**1,319**	**742**	**869**	**1,724**	**2,426**
Extraordinary items	0	(368)	0	0	0
Taxes	322	184	304	431	607
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**997**	**190**	**565**	**1,293**	**1,820**
PAT growth (%)	(11.3)	(80.9)	197.5	128.8	40.7
Adjusted PAT	**997**	**558**	**565**	**1,293**	**1,820**
Diluted EPS (Rs)	**8.0**	**4.5**	**4.5**	**10.4**	**14.6**
Diluted EPS growth (%)	(11.3)	(44.0)	1.3	128.8	40.7
DPS (Rs)	**0**	**0.5**	**1.1**	**3.1**	**4.4**
Dividend payout (%)	**0**	**30.2**	**25.0**	**30.0**	**30.0**
EBITDA margin (%)	12.0	7.2	8.1	11.4	12.8
EBIT margin (%)	9.5	4.9	5.5	9.0	10.5
Effective tax rate (%)	24.4	24.8	35.0	25.0	25.0
NOPLAT (pre-IndAS)	**1,003**	**541**	**573**	**1,268**	**1,732**
Shares outstanding (mn)	125	125	125	125	125

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	125	125	125	125	125
Reserves & Surplus	3,779	3,923	4,347	5,252	6,526
Net worth	**3,904**	**4,048**	**4,472**	**5,377**	**6,651**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	44	9	40	40	40
Total debt	**672**	**663**	**663**	**663**	**663**
Total liabilities & equity	**4,620**	**4,719**	**5,175**	**6,080**	**7,353**
Net tangible fixed assets	2,286	2,276	2,540	2,684	2,779
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	132	464	145	145	145
Goodwill	-	-	-	-	-
Investments [JV/Associates]	19	46	46	46	46
Cash & equivalents	**241**	**6**	**353**	**786**	**1,614**
Current assets (ex-cash)	2,707	2,574	2,808	3,223	3,668
Current Liab. & Prov.	766	647	719	804	899
NWC (ex-cash)	**1,941**	**1,927**	**2,090**	**2,419**	**2,768**
Total assets	**4,620**	**4,719**	**5,175**	**6,080**	**7,353**
Net debt	431	656	309	(123)	(951)
Capital employed	4,620	4,719	5,175	6,080	7,353
Invested capital	**4,227**	**4,203**	**4,630**	**5,103**	**5,548**
BVPS (Rs)	31.3	32.5	35.9	43.2	53.4
Net Debt/Equity (x)	0.1	0.2	0.1	-	(0.1)
Net Debt/EBITDA (x)	0.3	0.6	0.2	(0.1)	(0.3)
Interest coverage (x)	26.0	23.0	14.1	27.0	74.1
RoCE (%)	**32.1**	**16.7**	**19.0**	**32.0**	**36.8**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	1,275	686	814	1,624	2,276
Others (non-cash items)	46	494	-	-	-
Taxes paid	(321)	(200)	(304)	(431)	(607)
Change in NWC	(715)	(212)	(131)	(329)	(349)
Operating cash flow	**683**	**683**	**851**	**1,386**	**1,974**
Capital expenditure	(293)	(654)	(351)	(600)	(600)
Acquisition of business	255	-	0	0	0
Interest & dividend income	-	-	-	-	-
Investing cash flow	**(42)**	**(824)**	**(296)**	**(500)**	**(600)**
Equity raised/(repaid)	0	-	0	0	0
Debt raised/(repaid)	(392)	(9)	0	0	0
Payment of lease liabilities	0	0	0	0	0
Interest paid	(53)	(34)	(66)	(66)	(33)
Dividend paid (incl tax)	0	(57)	(141)	(388)	(546)
Others	9	2	0	0	0
Financing cash flow	**(436)**	**(98)**	**(208)**	**(454)**	**(579)**
Net chg in Cash	205	(239)	347	432	795
OCF	683	683	851	1,386	1,974
Adj. OCF (w/o NWC chg.)	1,398	895	982	1,716	2,324
FCFF	390	29	500	786	1,374
FCFE	337	(4)	433	720	1,341
OCF/EBITDA (%)	40.5	64.9	66.1	64.6	70.2
FCFE/PAT (%)	33.8	(2.3)	76.7	55.7	73.7
FCFF/NOPLAT (%)	**38.9**	**5.4**	**87.3**	**62.0**	**79.4**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	42.0	220.6	74.1	32.4	23.0
EV/CE(x)	9.3	9.0	8.2	7.0	5.8
P/B (x)	10.7	10.4	9.4	7.8	6.3
EV/Sales (x)	3.0	2.9	2.7	2.2	1.9
EV/EBITDA (x)	25.1	40.2	32.9	19.7	15.0
EV/EBIT(x)	31.9	58.8	48.1	25.0	18.3
EV/IC (x)	10.0	10.1	9.1	8.3	7.6
FCFF yield (%)	0.9	0.1	1.2	1.9	3.2
FCFE yield (%)	0.8	-	1.0	1.7	3.2
Dividend yield (%)	0	0.1	0.3	0.9	1.3
DuPont-RoE split					
Net profit margin (%)	7.1	3.8	3.6	6.8	8.3
Total asset turnover (x)	3.2	3.1	3.2	3.4	3.3
Assets/Equity (x)	1.3	1.2	1.2	1.1	1.1
RoE (%)	**29.3**	**14.0**	**13.3**	**26.3**	**30.3**
DuPont-RoIC					
NOPLAT margin (%)	7.2	3.7	3.6	6.7	7.9
IC turnover (x)	3.6	3.5	3.6	3.9	4.1
RoIC (%)	**25.6**	**12.8**	**13.0**	**26.1**	**32.5**
Operating metrics					
Core NWC days	50.5	47.9	48.0	46.8	45.9
Total NWC days	**50.5**	**47.9**	**48.0**	**46.8**	**45.9**
Fixed asset turnover	3.3	3.2	3.1	3.3	3.5
Opex-to-revenue (%)	16.5	17.9	18.9	17.1	16.2

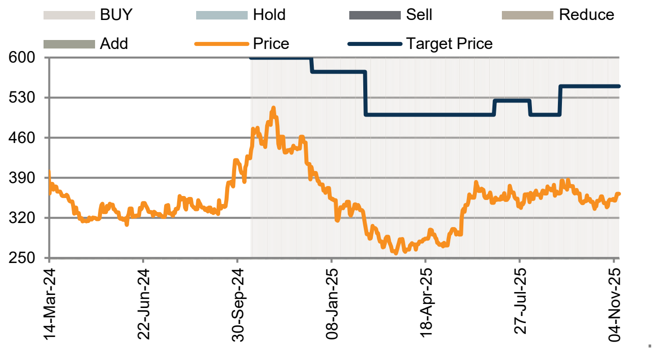
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
02-Oct-25	346	550	Buy	Nitin Gupta
17-Sep-25	378	550	Buy	Nitin Gupta
08-Sep-25	363	550	Buy	Nitin Gupta
19-Aug-25	363	500	Buy	Nitin Gupta
17-Aug-25	360	500	Buy	Nitin Gupta
07-Aug-25	363	500	Buy	Nitin Gupta
30-Jun-25	352	525	Buy	Nitin Gupta
24-Jun-25	358	500	Buy	Nitin Gupta
24-Jun-25	358	500	Buy	Nitin Gupta
12-Jun-25	374	500	Buy	Nitin Gupta
26-May-25	320	500	Buy	Nitin Gupta
28-Mar-25	265	500	Buy	Nitin Gupta
21-Mar-25	282	500	Buy	Nitin Gupta
05-Mar-25	275	500	Buy	Nitin Gupta
26-Feb-25	293	500	Buy	Nitin Gupta
13-Feb-25	301	500	Buy	Nitin Gupta
03-Jan-25	372	575	Buy	Nitin Gupta
18-Dec-24	401	575	Buy	Nitin Gupta
19-Nov-24	434	600	Buy	Nitin Gupta
15-Oct-24	445	600	Buy	Nitin Gupta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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Seshadri Kumar Sen

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