

# Havells India | BUY

## C&W does the heavy lifting; Lloyd better than estimate

Havells' 3Q adj. PAT was a shade below expectations (lower other income), while EBITDA was in line and revenue was 5% ahead of estimate, driven predominantly by 33% growth in C&W (vs. estimate of 21% YoY growth). Lloyd Consumer also fared better than expectations, with segmental revenue falling 6% YoY, vs. expectation of an 8% YoY decline. Further, on Lloyd Consumer, management indicated that (1) it expects channel inventory to normalise as the upcoming summer season commences from southern India starting end-Feb'26, and (2) price hikes of 5-10% are planned through 4Q to neutralise the impact of rising input costs. Lastly, in C&W, management indicated volume growth of >20%, further aided by rising copper prices. Capacity utilisation was 65-70% in wires and 90-100% in cables as of Dec'25. Our FY26E EPS estimate goes up by 3%, primarily on the back of an increase in revenue from C&W, while our FY27/28E EPS estimate is largely unchanged. We maintain BUY with a PT of INR 1,750 (unchanged), valuing Havells at 50x Dec'27E EPS.

- C&W growth drives revenue beat; but weak margin, low other income lead to 3% PAT miss:** Havells' 3Q revenue rose 14% YoY to INR 55.7bn, 5% ahead of our estimate and 4% ahead of consensus. This was driven predominantly by 33% YoY growth in the C&W business (vs. expectation of 21%), 4% YoY growth in ECD (expectation of 2%), and 8% growth in switchgears (in line with expectations). Lloyd Consumer also performed better than estimates, with revenue declining 6% YoY, vs. expected fall of 8% YoY. At the same time, revenue from lighting fell 4% YoY vs. expectations of a flat quarter. EBITDA went up by 21% YoY to INR 5.2bn, in line with estimate and 3% ahead of consensus. EBITDA margin expanded 60bps YoY to 9.4%, but it was 50bps/10bps below our/consensus estimate. Adj. 3Q PAT was INR 3.5bn, 3% below estimate, due to lower other income and a slight beat on consensus.
- Lloyd Consumer now positioned better; expect inventory to normalise by end-Mar'26:** Lloyd Consumer reported revenue of INR 6.9bn in 3Q, down ~6% YoY, largely on account of high channel inventory. While AC channel inventory remains above normal levels, normalisation is expected by March-end, as the summer season commences in South India from end-Feb'26. Change in energy rating, rising copper prices and INR depreciation have necessitated price hikes across the segment. Hence, Havells is in the process of undertaking the necessary price hikes, and the expectation is of a 5-10% price increase through the quarter. However, adjusting for the GST rate cut in Sep'25, which brought down ASPs by ~7%, the net impact to the customer should be restricted.
- C&W business sees strong volume growth; risk from high channel inventory not ruled out:** Havells' C&W segment grew 33% YoY. This robust performance was led by growth in volume (>20%) and inflation in input costs. Havells, and the larger industry, hiked prices several times in 3Q, and these continue in 4Q as well. However, given the company's higher dependency on wires there has been a fair amount of inventory build-up in the channel, in anticipation of price hikes. Basis this, some impact on volume due to elevated channel inventory levels, and normalisation of the same, cannot be ruled out. Havells' capacity utilisation was 65-70% in wires and 90-100% in cables as of Dec'25. Further, as a hedge to potential neutralisation of cable demand in India, Havells is also exploring exports beyond the US for its cables portfolio, including underground cables.



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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,750
Upside/(Downside)	20.9%
Previous Price Target	1,750
Change	0.0%

### Key Data – HAVL IN

Current Market Price	INR1,447
Market cap (bn)	INR907.7/US\$10.0
Free Float	33%
Shares in issue (mn)	626.5
Diluted share (mn)	627.2
3-mon avg daily val (mn)	INR1,035.0/US\$11.4
52-week range	1,713/1,360
Sensex/Nifty	83,246/25,586
INR/US\$	90.9

### Price Performance

%	1M	6M	12M
Absolute	2.1	-4.7	-8.1
Relative*	4.2	-6.4	-15.4

\* To the BSE Sensex

Financial Summary					
Y/E March	FY24A	FY25A	FY26E	FY27E	(INR mn)
Net Sales	1,85,499	2,17,458	2,32,784	2,64,867	2,96,831
Sales Growth (%)	10.0	17.2	7.0	13.8	12.1
EBITDA	18,453	21,486	23,107	28,653	32,734
EBITDA Margin (%)	9.9	9.9	9.9	10.8	11.0
Adjusted Net Profit	12,732	14,872	16,051	19,741	22,936
Diluted EPS (INR)	20.3	23.7	25.6	31.5	36.6
Diluted EPS Growth (%)	18.4	16.8	7.8	23.0	16.2
ROIC (%)	24.0	26.1	25.4	28.7	30.7
ROE (%)	18.1	18.9	18.2	19.9	20.4
P/E (x)	81.9	70.1	65.0	52.9	45.5
P/B (x)	14.0	12.5	11.2	9.9	8.7
EV/EBITDA (x)	55.0	47.1	44.0	35.2	30.5
Dividend Yield (%)	0.5	0.6	0.6	0.7	0.8

Source: Company data, JM Financial. Note: Valuations as of 19/Jan/2026

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.

## Key highlights from concall

### Updates on Lloyd consumer

- AC channel inventory is now normalising. Expect inventory to normalise by end-Mar'26, with the start of the summer season in South India from end-Feb'26.
- Change of energy efficiency norms, rise in copper prices and INR depreciation has necessitated price hikes. Havells is in the process of hiking prices, and the expectation is of a 5-10% price increase through the quarter. However, the hope is, adjusting for the GST rate cut that brought down ASPs by ~7%, the net impact to the customer should be limited.

### ECD business

- Growth in this segment was largely driven by winter products. Except fans, all other categories have seen some growth. Again, it is important to note that this is volume growth and not simply growth in pricing. Expect to liquidate older-rated inventory, in this case, fans, by end-Mar'26.

### C&W business

- Growth in the C&W business has been a mix of volume growth and rise in input prices. This includes volume growth of >20% in cables & wires. Given Havells is more wire-heavy, there has been decent amount of inventory build-up in the channel, in anticipation of price hikes. Price hikes have been undertaken in 3Q and continue in 4Q too.
- Basis this, some impact on volume as the channel inventory normalises cannot be ruled out. However, do not foresee a strategy change-over to becoming B2B-heavy.
- As of Dec'25, capacity utilisation was 65-70% in wires and 90-100% in cables.
- Cables provide ample opportunity for exports, and act as a hedge against demand neutralisation for cables within India. Havells has been evaluating exports too, but this year, the US market, and consequently, Havells' exports have been impacted. That said, Havells is evaluating other export geographies for its cables portfolio, including underground cables.

### Capex guidance

- As of 9MFY26, Havells' capex was INR 12bn. Capex guidance is INR 10bn for FY27E.
- Here, major projects underway include the C&W facility (will continue in FY27 as well), Lloyd Consumer, and a R&D facility.

### Other segments

- Havells within its solar portfolio currently sells solar inverters, solar cables, and solar switchgear and also undertakes solar EPC projects.
- Havells also made an investment in Goldi Solar a few quarters back, the idea of which is to purchase modules from Goldi and not manufacture modules in-house. Goldi is also evaluating backward integration into cells.

### Other takeaways

- Pursuant to the notification issued by the Ministry of Labour and Employment, multiple existing labour legislations were consolidated into a unified framework comprising four labour codes collectively referred to as 'New Labour Codes' w.e.f. Nov'25. Basis this, Havells reassessed its employee benefit obligations, and recognised an incremental liability of INR 450mn as an exceptional item.

## Exhibit 1. Havells – 3QFY26 results review

Year End Mar31 (INR mn)	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26	Q3FY26E
Net Revenue	44,006	54,343	1,85,499	57,981	45,330	48,825	65,322	2,17,458	54,378	47,666	55,734	53,021
YoY	7%	12%	10%	20%	16%	11%	20%	17%	-6%	5%	14%	9%
Raw Material Costs	(29,339)	(36,495)	(1,25,365)	(39,500)	(30,027)	(32,020)	(44,340)	(1,45,886)	(36,175)	(31,024)	(37,313)	(34,437)
<b>Gross Profit</b>	<b>14,667</b>	<b>17,849</b>	<b>60,134</b>	<b>18,482</b>	<b>15,303</b>	<b>16,805</b>	<b>20,982</b>	<b>71,572</b>	<b>18,203</b>	<b>16,642</b>	<b>18,422</b>	<b>18,584</b>
<b>Gross Profit margin %</b>	<b>33.3%</b>	<b>32.8%</b>	<b>32.4%</b>	<b>31.9%</b>	<b>33.8%</b>	<b>34.4%</b>	<b>32.1%</b>	<b>32.9%</b>	<b>33.5%</b>	<b>34.9%</b>	<b>33.1%</b>	<b>35.1%</b>
Employee Cost	(3,762)	(4,179)	(15,259)	(4,582)	(4,602)	(4,641)	(4,693)	(18,518)	(4,949)	(4,728)	(4,895)	(5,143)
% of sales	8.5%	7.7%	8.2%	7.9%	10.2%	9.5%	7.2%	8.5%	9.1%	9.9%	8.8%	9.7%
Other expenses	(6,579)	(7,302)	(26,422)	(8,138)	(6,901)	(7,847)	(8,681)	(31,568)	(8,055)	(7,497)	(8,286)	(8,218)
% of sales	14.9%	13.4%	14.2%	14.0%	15.2%	16.1%	13.3%	14.5%	14.8%	15.7%	14.9%	15.5%
<b>EBITDA</b>	<b>4,326</b>	<b>6,368</b>	<b>18,453</b>	<b>5,762</b>	<b>3,800</b>	<b>4,317</b>	<b>7,607</b>	<b>21,486</b>	<b>5,199</b>	<b>4,418</b>	<b>5,240</b>	<b>5,223</b>
YoY	2%	20%	15%	43%	2%	0%	19%	16%	-10%	16%	21%	21%
<b>EBITDA margin%</b>	<b>9.8%</b>	<b>11.7%</b>	<b>9.9%</b>	<b>9.9%</b>	<b>8.4%</b>	<b>8.8%</b>	<b>11.6%</b>	<b>9.9%</b>	<b>9.6%</b>	<b>9.3%</b>	<b>9.4%</b>	<b>9.9%</b>
Total D&A Expense	(877)	(934)	(3,385)	(920)	(946)	(1,041)	(1,080)	(3,987)	(1,051)	(1,051)	(1,079)	(1,075)
<b>EBIT</b>	<b>3,450</b>	<b>5,434</b>	<b>15,068</b>	<b>4,842</b>	<b>2,854</b>	<b>3,276</b>	<b>6,527</b>	<b>17,499</b>	<b>4,149</b>	<b>3,367</b>	<b>4,161</b>	<b>4,148</b>
YoY	-1%	20%	15%	48%	-2%	-5%	20%	16%	-14%	18%	27%	27%
<b>EBIT margin%</b>	<b>7.8%</b>	<b>10.0%</b>	<b>8.1%</b>	<b>8.4%</b>	<b>6.3%</b>	<b>6.7%</b>	<b>10.0%</b>	<b>8.0%</b>	<b>7.6%</b>	<b>7.1%</b>	<b>7.5%</b>	<b>7.8%</b>
Other Income	559	757	2,487	770	928	640	687	3,025	691	863	427	700
Finance Costs	(102)	(177)	(457)	(86)	(101)	(94)	(152)	(432)	(94)	(91)	(89)	(90)
<b>PBT</b>	<b>3,907</b>	<b>6,014</b>	<b>17,098</b>	<b>5,527</b>	<b>3,681</b>	<b>3,822</b>	<b>7,062</b>	<b>20,091</b>	<b>4,746</b>	<b>4,138</b>	<b>4,499</b>	<b>4,758</b>
YoY	2%	23%	18%	45%	10%	-2%	17%	18%	-14%	12%	18%	24%
Income Tax Expense	(1,028)	(1,526)	(4,366)	(1,415)	(955)	(994)	(1,839)	(5,202)	(1,222)	(963)	(1,035)	(1,189)
Rate %	26.3%	25.4%	25.5%	25.6%	25.9%	26.0%	26.0%	25.9%	25.8%	23.3%	23.0%	25.0%
Exceptional	-	-	-	-	-	-	-	-	-	-	(450)	-
<b>Net Profit</b>	<b>2,879</b>	<b>4,489</b>	<b>12,732</b>	<b>4,112</b>	<b>2,726</b>	<b>2,828</b>	<b>5,223</b>	<b>14,889</b>	<b>3,523</b>	<b>3,175</b>	<b>3,014</b>	<b>3,568</b>
<b>Margins</b>	<b>6.5%</b>	<b>8.3%</b>	<b>6.9%</b>	<b>7.1%</b>	<b>6.0%</b>	<b>5.8%</b>	<b>8.0%</b>	<b>6.8%</b>	<b>6.5%</b>	<b>6.7%</b>	<b>5.4%</b>	<b>6.7%</b>
YoY	1.4%	24.1%	18.4%	43.1%	9.4%	-1.8%	16.4%	16.9%	-14.3%	16.5%	6.6%	26.2%

Source: Company, JM Financial

## Exhibit 2. Havells – 3QFY26 segmental results (revenue data)

(INR mn)	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26	Q3FY26E
<b>Segment Revenue</b>												
Havells (ex-Lloyd)	37,540	40,942	1,47,647	38,740	39,456	41,407	46,622	1,66,225	41,760	42,880	48,797	46,197
Switchgears	5,206	6,513	22,450	5,759	5,513	5,769	6,914	23,953	6,296	5,954	6,244	6,230
Cables & Wires	15,727	17,896	63,176	15,212	18,052	16,879	21,694	71,836	19,332	20,282	22,411	20,423
Lighting & Fixtures	4,299	4,334	16,268	3,856	3,909	4,409	4,358	16,532	3,735	4,198	4,233	4,409
ECD	9,613	9,104	34,818	10,549	8,564	11,043	9,959	40,115	9,059	8,414	11,512	11,264
Others	2,695	3,096	10,936	3,365	3,418	3,308	3,698	13,789	3,337	4,032	4,398	3,870
Lloyd Electric	6,467	13,401	37,852	19,241	5,874	7,418	18,700	51,233	12,619	4,786	6,937	6,824
<b>YoY Revenue Growth</b>												
Havells (ex-Lloyd)	7%	14%	9%	10%	16%	10%	14%	13%	8%	9%	18%	12%
Switchgears	1%	8%	6%	6%	4%	11%	6%	7%	9%	8%	8%	8%
Cables	11%	14%	14%	2%	23%	7%	21%	14%	27%	12%	33%	21%
Lighting & Fixtures	2%	5%	2%	5%	-1%	3%	1%	2%	-3%	7%	-4%	0%
ECD	3%	21%	6%	20%	17%	15%	9%	15%	-14%	-2%	4%	2%
Others	16%	22%	15%	36%	28%	23%	19%	26%	-1%	18%	33%	17%
Lloyd Electric	7%	6%	12%	47%	19%	15%	40%	35%	-34%	-19%	-6%	-8%
<b>Revenue Mix</b>												
Havells (ex-Lloyd)	85%	75%	80%	67%	87%	85%	71%	76%	77%	90%	88%	87%
Switchgears	12%	12%	12%	10%	12%	12%	11%	11%	12%	12%	11%	12%
Cables	36%	33%	34%	26%	40%	35%	33%	33%	36%	43%	40%	39%
Lighting & Fixtures	10%	8%	9%	7%	9%	9%	7%	8%	7%	9%	8%	8%
ECD	22%	17%	19%	18%	19%	23%	15%	18%	17%	18%	21%	21%
Others	6%	6%	6%	6%	8%	7%	6%	6%	6%	8%	8%	7%
Lloyd Electric	15%	25%	20%	33%	13%	15%	29%	24%	23%	10%	12%	13%

Source: Company, JM Financial

## Exhibit 3. Havells – 3QFY26 segmental results (contribution and contribution margin data)

(INR mn)	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26
<b>Segment Contribution</b>											
Havells (ex-Lloyd)	8,931	11,185	36,568	11,337	9,000	9,987	13,121	43,445	10,742	9,581	10,929
Switchgears	2,067	2,677	9,036	2,229	2,106	2,077	2,662	9,073	2,342	2,221	2,335
Cables	2,280	2,720	9,477	2,221	2,220	2,532	3,189	10,162	3,093	3,590	3,541
Lighting & Fixtures	1,311	1,383	4,904	1,230	1,224	1,499	1,429	5,382	1,124	1,280	1,304
ECD	2,317	2,158	8,188	2,542	1,995	2,440	2,579	9,558	2,138	1,767	2,659
Others	477	573	1,952	575	632	490	644	2,341	644	641	528
Lloyd Electric	479	1,675	3,012	2,540	822	949	2,618	6,930	1,401	81	562
<b>Segment Contribution Margin</b>											
Havells (ex-Lloyd)	20.3%	20.6%	19.7%	19.6%	19.9%	20.5%	20.1%	20.0%	19.8%	20.1%	19.6%
Switchgears	39.7%	41.1%	40.3%	38.7%	38.2%	36.0%	38.5%	38.5%	37.2%	37.3%	37.4%
Cables	14.5%	15.2%	15.0%	14.6%	12.3%	15.0%	14.7%	14.7%	16.0%	17.7%	15.8%
Lighting & Fixtures	30.5%	31.9%	30.1%	31.9%	31.3%	34.0%	32.8%	32.8%	30.1%	30.5%	30.8%
ECD	24.1%	23.7%	23.5%	24.1%	23.3%	22.1%	25.9%	25.9%	23.6%	21.0%	23.1%
Others	17.7%	18.5%	17.8%	17.1%	18.5%	14.8%	17.4%	17.4%	19.3%	15.9%	12.0%
Lloyd Electric	7.4%	12.5%	8.0%	13.2%	14.0%	12.8%	14.0%	14.0%	11.1%	1.7%	8.1%

Source: Company, JM Financial

## Exhibit 4. Havells – 3QFY26 segmental results (EBIT and EBIT margin data)

(INR mn)	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26
<b>Segment EBIT</b>	<b>3,914</b>	<b>6,262</b>	<b>18,168</b>	<b>5,691</b>	<b>3,688</b>	<b>4,151</b>	<b>7,668</b>	<b>21,198</b>	<b>5,117</b>	<b>4,232</b>	<b>5,072</b>
Havells (ex-Lloyd)	4,573	5,890	19,797	5,017	3,911	4,461	6,501	19,891	5,314	5,220	5,659
Switchgears	1,244	1,836	5,985	1,419	1,150	1,048	1,776	5,393	1,475	1,328	1,375
Cables	1,625	2,154	7,175	1,711	1,548	1,870	2,586	7,715	2,426	2,782	2,654
Lighting & Fixtures	605	787	2,489	630	505	655	747	2,537	462	565	506
ECD	1,062	1,025	3,893	1,147	643	955	1,249	3,994	789	476	1,164
Others	39	89	255	110	66	(67)	143	252	162	69	(40)
Lloyd Electric	(660)	372	(1,629)	674	(224)	(310)	1,167	1,308	(197)	(989)	(587)
<b>EBIT margin</b>											
Havells (ex-Lloyd)	12.2%	14.4%	13.4%	13.0%	9.9%	10.8%	13.9%	12.0%	12.7%	12.2%	11.6%
Switchgears	23.9%	28.2%	26.7%	24.6%	20.9%	18.2%	25.7%	22.5%	23.4%	22.3%	22.0%
Cables	10.3%	12.0%	11.4%	11.2%	8.6%	11.1%	11.9%	10.7%	12.6%	13.7%	11.8%
Lighting & Fixtures	14.1%	18.2%	15.3%	16.3%	12.9%	14.8%	17.1%	15.3%	12.4%	13.5%	12.0%
ECD	11.0%	11.3%	11.2%	10.9%	7.5%	8.6%	12.5%	10.0%	8.7%	5.7%	10.1%
Others	1.4%	2.9%	2.3%	3.3%	1.9%	-2.0%	3.9%	1.8%	4.8%	1.7%	-0.9%
Lloyd Electric	-10.2%	2.8%	-4.3%	3.5%	-3.8%	-4.2%	6.2%	2.6%	-1.6%	-20.7%	-8.5%

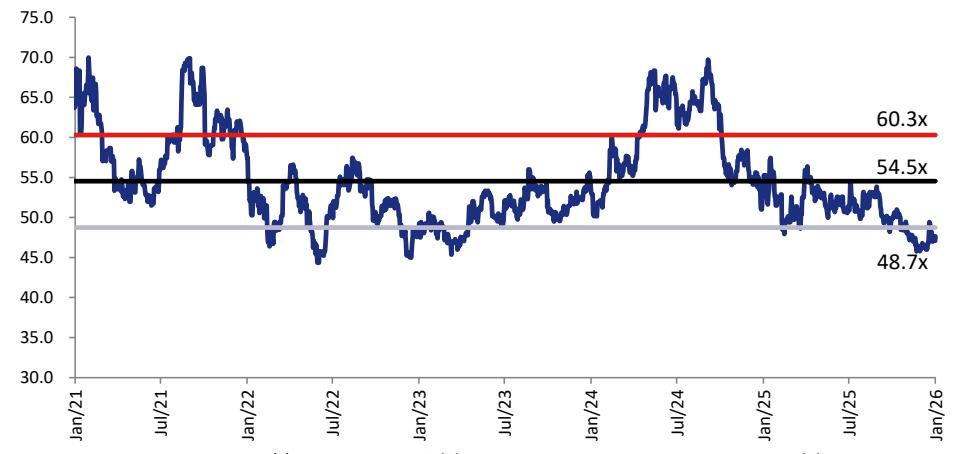
Source: Company, JM Financial

## Exhibit 5. Havells – EPS revision table

Year End Mar (INR mn)	FY26E	FY27E	FY28E
<b>Revenues</b>			
Old	2,27,380	2,62,686	2,97,492
New	2,32,784	2,64,867	2,96,831
Change	2.4%	0.8%	-0.2%
<b>EBITDA</b>			
Old	22,426	28,689	32,946
New	23,107	28,653	32,734
Change	3.0%	-0.1%	-0.6%
<b>EBITDA margins</b>			
Old	9.9%	10.9%	11.1%
New	9.9%	10.8%	11.0%
Change	6	-10	-5
<b>Recurring PAT</b>			
Old	15,547	19,834	23,114
New	16,051	19,741	22,936
Change	3.2%	-0.5%	-0.8%
<b>EPS</b>			
Old	24.8	31.6	36.9
New	25.6	31.5	36.6
Change	3.2%	-0.5%	-0.8%

Source: Company, JM Financial

## Exhibit 6. Havells – 1-yr forward P/E band chart (last 5 years)



Source: Company, JM Financial

## Financial Tables (Standalone)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,85,499	2,17,458	2,32,784	2,64,867	2,96,831
Sales Growth	10.0%	17.2%	7.0%	13.8%	12.1%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>1,85,499</b>	<b>2,17,458</b>	<b>2,32,784</b>	<b>2,64,867</b>	<b>2,96,831</b>
Cost of Goods Sold/Op. Exp	1,25,365	1,45,887	1,54,059	1,73,280	1,92,879
Personnel Cost	15,411	18,518	20,926	23,437	26,249
Other Expenses	26,270	31,568	34,693	39,498	44,968
<b>EBITDA</b>	<b>18,453</b>	<b>21,486</b>	<b>23,107</b>	<b>28,653</b>	<b>32,734</b>
EBITDA Margin	9.9%	9.9%	9.9%	10.8%	11.0%
EBITDA Growth	15.1%	16.4%	7.5%	24.0%	14.2%
Depn. & Amort.	3,385	4,004	4,310	4,710	5,280
EBIT	15,068	17,482	18,797	23,943	27,454
Other Income	2,487	3,025	2,723	2,720	3,427
Finance Cost	457	432	400	300	250
PBT before Excep. & Forex	17,098	20,074	21,120	26,363	30,631
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	17,098	20,074	21,120	26,363	30,631
Taxes	4,366	5,203	5,069	6,622	7,694
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	12,732	14,872	16,051	19,741	22,936
<b>Adjusted Net Profit</b>	<b>12,732</b>	<b>14,872</b>	<b>16,051</b>	<b>19,741</b>	<b>22,936</b>
Net Margin	6.9%	6.8%	6.9%	7.5%	7.7%
Diluted Share Cap. (mn)	626.5	626.5	627.2	627.2	627.2
<b>Diluted EPS (INR)</b>	<b>20.3</b>	<b>23.7</b>	<b>25.6</b>	<b>31.5</b>	<b>36.6</b>
Diluted EPS Growth	18.4%	16.8%	7.8%	23.0%	16.2%
Total Dividend + Tax	5,640	6,265	6,272	7,526	8,781
Dividend Per Share (INR)	9.0	10.0	10.0	12.0	14.0

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	74,385	83,310	93,089	1,05,303	1,19,458
Share Capital	627	627	627	627	627
Reserves & Surplus	73,758	82,683	92,462	1,04,676	1,18,831
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	3,032	3,185	3,185	3,185	3,185
Def. Tax Liab. / Assets (-)	3,575	3,753	3,753	3,753	3,753
<b>Total - Equity &amp; Liab.</b>	<b>80,991</b>	<b>90,249</b>	<b>1,00,027</b>	<b>1,12,242</b>	<b>1,26,397</b>
Net Fixed Assets	42,848	47,451	54,460	59,250	62,970
Gross Fixed Assets	53,728	63,500	73,500	83,500	92,500
Intangible Assets	3,105	3,105	3,105	3,105	3,105
Less: Depn. & Amort.	16,954	20,335	24,645	29,355	34,635
Capital WIP	2,969	1,182	2,500	2,000	2,000
Investments	412	740	6,740	6,740	6,740
Current Assets	80,939	89,558	88,259	1,00,139	1,16,663
Inventories	34,085	40,074	42,030	44,144	49,472
Sundry Debtors	11,572	12,536	13,579	15,451	17,315
Cash & Bank Balances	30,154	33,526	29,227	37,122	46,454
Loans & Advances	0	0	0	0	0
Other Current Assets	5,128	3,422	3,422	3,422	3,422
Current Liab. & Prov.	43,207	47,501	49,432	53,888	59,976
Current Liabilities	27,059	30,524	32,455	36,911	42,999
Provisions & Others	16,148	16,977	16,977	16,977	16,977
Net Current Assets	37,732	42,057	38,828	46,252	56,687
<b>Total - Assets</b>	<b>80,992</b>	<b>90,249</b>	<b>1,00,027</b>	<b>1,12,242</b>	<b>1,26,397</b>

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	17,098	20,074	21,120	26,363	30,631
Depn. & Amort.	3,385	4,004	4,310	4,710	5,280
Net Interest Exp. / Inc. (-)	-457	-432	-400	-300	-250
Inc (-) / Dec in WCap.	5,733	-1,289	-1,069	470	-1,103
Others	-3,909	-4,770	-4,669	-6,322	-7,444
Taxes Paid	-40	178	0	0	0
<b>Operating Cash Flow</b>	<b>21,810</b>	<b>17,765</b>	<b>19,292</b>	<b>24,921</b>	<b>27,113</b>
Capex	-8,362	-8,591	-11,318	-9,500	-9,000
<b>Free Cash Flow</b>	<b>13,448</b>	<b>9,174</b>	<b>7,974</b>	<b>15,421</b>	<b>18,113</b>
Inc (-) / Dec in Investments	2,753	-329	-6,000	0	0
Others	-974	336	0	0	0
<b>Investing Cash Flow</b>	<b>-6,583</b>	<b>-8,584</b>	<b>-17,318</b>	<b>-9,500</b>	<b>-9,000</b>
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-5,640	-6,265	-6,272	-7,526	-8,781
Inc / Dec (-) in Loans	801	154	0	0	0
Others	1,148	302	0	0	0
<b>Financing Cash Flow</b>	<b>-3,692</b>	<b>-5,809</b>	<b>-6,272</b>	<b>-7,526</b>	<b>-8,781</b>
Inc / Dec (-) in Cash	<b>11,535</b>	<b>3,372</b>	<b>-4,298</b>	<b>7,895</b>	<b>9,332</b>
Opening Cash Balance	18,619	30,154	33,526	29,227	37,122
<b>Closing Cash Balance</b>	<b>30,154</b>	<b>33,526</b>	<b>29,227</b>	<b>37,122</b>	<b>46,454</b>

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	6.9%	6.8%	6.9%	7.5%	7.7%
Asset Turnover (x)	2.3	2.4	2.3	2.4	2.4
Leverage Factor (x)	1.1	1.1	1.1	1.1	1.1
RoE	18.1%	18.9%	18.2%	19.9%	20.4%

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	118.7	133.0	148.4	167.9	190.5
ROIC	24.0%	26.1%	25.4%	28.7%	30.7%
ROE	18.1%	18.9%	18.2%	19.9%	20.4%
Net Debt/Equity (x)	-0.4	-0.4	-0.3	-0.3	-0.4
P/E (x)	81.9	70.1	65.0	52.9	45.5
P/B (x)	14.0	12.5	11.2	9.9	8.7
EV/EBITDA (x)	55.0	47.1	44.0	35.2	30.5
EV/Sales (x)	5.5	4.7	4.4	3.8	3.4
Debtor days	23	21	21	21	21
Inventory days	67	67	66	61	61
Creditor days	59	57	56	57	59

Source: Company, JM Financial

Source: Company, JM Financial



## APPENDIX I

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -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.

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