

Crompton Greaves Consumer Electricals | BUY

Margins surprise; marks entry into residential wires

Crompton's 3Q revenue was largely in line with expectations. Margin surprised positively, driven by improved operational performance, timely pricing actions, and a better product mix. The company announced its entry into residential wires, in line with its strategy of expanding the addressable market through adjacent categories. The product range will be rolled out in select markets over the next 6–7 weeks, followed by a phased pan-India expansion, with initial sourcing to be outsourced. Management targets meaningful market share gains over the medium term by leveraging Crompton's strong brand, distribution reach, and supply-chain capabilities. Additionally, the company has partially passed on rising commodity costs through price hikes and plans to implement two further rounds of hikes in 4QFY26 and 1QFY27. We upgrade our FY26 EPS estimates by ~4% to factor 3Q performance, while our FY27/28E estimates remain unchanged. However, Crompton has been trading at <-1SD of its 1-yr forward P/E over 5 years. To factor this in, we cut our target multiple to 29x (-1SD) from 35x (mean 1-yr forward P/E), and arrive at a PT or INR 315. Maintain BUY.

- 3Q beat led by overall operational performance:** Crompton's 3Q revenue at INR 19bn rose 7% YoY and came in 2% ahead of our estimate and in-line with consensus. This was driven by a ~8% YoY increase in ECD (73% of revenue), while lighting and Butterfly both saw a 7% YoY revenue growth each. EBITDA at INR 1.9bn up 4% YoY, was a 16% beat on our and consensus estimates. EBITDA margin at 10.3%, contracted 30bps YoY, and was 120bps higher than our and 140bps higher than consensus estimate. Adjusted PAT at INR 1.2bn, up 7% YoY, was 17% higher than our and Street estimate.
- Strategic entry into residential wires segment:** Crompton announced the launch of residential wires, a meaningful adjacency that expands its addressable market and enhances its positioning as a comprehensive home solutions player. The product range will be rolled out in select markets over the next 6–7 weeks, followed by a phased pan-India expansion. Initial sourcing will be outsourced, allowing Crompton to leverage its strong brand, distribution reach, and supply-chain capabilities while maintaining disciplined capital allocation. This transition aligns with the company's strategy of expanding TAM by entering into related product adjacencies
- Rising commodity prices and BEE transition leading to price hikes in fans:** According to the management, the recent BEE transition that came into effect from 1st Jan 2026 was smooth for Crompton. This was supported by disciplined liquidation of old inventory and advanced readiness through R&D and engineering. Interestingly, Crompton has sold only new-rated fans post transition. To offset commodity inflation and currency depreciation, the company has already implemented a net 1–1.5% price hike, with two additional rounds planned in Q4FY26 and Q1FY27. These hikes will further be supported by on-going cost-reduction initiatives and favourable mix improvement. Management does not expect induction fans to be structurally priced out, highlighting that both induction and BLDC technologies will coexist, underpinned by Crompton's scale and technological capabilities. In BLDC segment improvement in BLDC range has laid to gain in market share of >5%
- Solar businesses tracking well:** Solar pumps continued to see strong execution, with revenue >2x YoY, with increasing scale driving margin improvement. In the solar rooftop segment, current orders are largely government-intermediated, and do involve B2C rooftop installations. Execution of these orders is expected over the next 9–12 months. Management also expects B2C traction in rooftop solar to build progressively over the next few quarters.

| Financial Summary | | | | | |
|------------------------|--------|--------|--------|--------|----------|
| Y/E March | FY24A | FY25A | FY26E | FY27E | (INR mn) |
| Net Sales | 73,128 | 78,636 | 80,274 | 88,891 | 98,490 |
| Sales Growth (%) | 6.5 | 7.5 | 2.1 | 10.7 | 10.8 |
| EBITDA | 7,137 | 8,882 | 8,038 | 9,659 | 11,112 |
| EBITDA Margin (%) | 9.8 | 11.3 | 10.0 | 10.9 | 11.3 |
| Adjusted Net Profit | 4,399 | 5,559 | 5,149 | 6,393 | 7,519 |
| Diluted EPS (INR) | 6.8 | 8.6 | 8.0 | 9.9 | 11.7 |
| Diluted EPS Growth (%) | -6.1 | 26.2 | -7.4 | 24.2 | 17.6 |
| ROIC (%) | 11.7 | 14.5 | 12.8 | 15.5 | 17.6 |
| ROE (%) | 15.5 | 17.4 | 14.6 | 16.7 | 17.6 |
| P/E (x) | 35.8 | 28.4 | 30.6 | 24.7 | 21.0 |
| P/B (x) | 5.3 | 4.7 | 4.3 | 3.9 | 3.5 |
| EV/EBITDA (x) | 22.6 | 17.8 | 19.4 | 15.8 | 13.4 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Company data, JM Financial. Note: Valuations as of 06/Febr/2026



Shalin Choksy

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

Jignesh Thakur

jignesh.thakur@jmfl.com | Tel: (91 22) 66303514

Recommendation and Price Target

| | |
|----------------------------|--------|
| Current Reco. | BUY |
| Previous Reco. | BUY |
| Current Price Target (12M) | 315 |
| Upside/(Downside) | 28.6% |
| Previous Price Target | 370 |
| Change | -14.9% |

Key Data – CROMPTON IN

| | |
|--------------------------|------------------|
| Current Market Price | INR245 |
| Market cap (bn) | INR157.8/US\$1.7 |
| Free Float | 97% |
| Shares in issue (mn) | 626.8 |
| Diluted share (mn) | 643.8 |
| 3-mon avg daily val (mn) | INR849.9/US\$9.4 |
| 52-week range | 368/217 |
| Sensex/Nifty | 83,580/25,694 |
| INR/US\$ | 90.7 |

Price Performance

| % | 1M | 6M | 12M |
|-----------|------|-------|-------|
| Absolute | -4.9 | -23.4 | -33.0 |
| Relative* | -4.9 | -26.8 | -37.6 |

* To the BSE Sensex

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 takeaways from concall

Entry into residential wires

- Crompton announced the launch (not just entry) of residential wires, marking a meaningful adjacency expansion. Products will be available in select markets over the next 6–7 weeks, with a phased pan-India rollout.
- The segment materially expands the company's addressable market and strengthens Crompton's positioning as an end-to-end home solutions player.
- Initial sourcing will be outsourced, leveraging Crompton's established strengths in brand, distribution, and supply-chain management, with capital allocation remaining disciplined.

Fans: BEE transition and pricing

- **BEE 2.0 transition executed smoothly:** The mandatory transition effective 1 Jan 2026 was handled seamlessly, with responsible liquidation of legacy inventory and readiness through R&D and engineering. Crompton has sold only new-rated fans since the transition.
- **Pricing actions underway:** A net 1–1.5% price hike has already been implemented, with two further hikes planned in Q4 and Q1 to offset commodity inflation and currency depreciation, alongside on-going cost-reduction initiatives and mix improvement.
- **Technology mix:** Management does not expect induction fans to be structurally priced out; both induction and BLDC fans are expected to coexist, supported by Crompton's scale and technology capabilities.

Lighting & Butterfly

- Lighting growth supported by ceiling lights and accessories; margins remain industry-leading, aided by mix improvement and supply-chain efficiencies.
- Butterfly revenue grew 7% YoY to INR 2.4bn, led by premiumisation in gas stoves and GST-driven demand in cookers (both double-digit growth). EBITDA margin expanded ~100bps YoY to 8.2%, driven by gross margin improvement and cost optimisation. PAT grew 44% YoY.

Solar businesses

- **Solar pumps:** Strong execution continued, with revenue more than doubling YoY; scale benefits are improving margins.
- **Solar rooftop:** Execution has begun on the ~INR 5bn order book, with ~INR 180–190mn revenue recognised in the last quarter. Orders are largely government-intermediated but involve B2C rooftop installations. Execution is expected over 9–12 months, with working capital already factored into margin expectations. B2C traction is expected to pick up over coming quarters.

Other takeaways

- **Category expansion philosophy intact:** Management reiterated its "play-to-win" strategy in large adjacencies (solar pumps, rooftop solar, wires), while smaller adjacencies (eg. mobile accessories) remain "play-to-participate."
- **Market-share gains:** Crompton continues to gain share across categories; BLDC fans momentum remains strong, and the company is now the #2 water heater brand in GT nationally (and #1 on e-commerce).
- **Commodity inflation:** Inflation persists, but Crompton had anticipated this and is mitigating through calibrated price hikes, alternate raw materials, and cost programs without compromising product quality or warranties.
- **Margin trajectory:** Management reiterated confidence in sustaining margins through pricing discipline, premiumisation, and scale benefits across categories.
- **Capital allocation:** Near-term capex remains measured; no aggressive capital investments planned for wires initially. A previously announced greenfield expansion (~INR 3.5bn) is progressing, with further details expected in due course.

Exhibit 1. CROMPTON – 3QFY26 segmental review

| (INR mn) | Q3FY24 | Q4FY24 | FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | FY25 | Q1FY26 | Q2FY26 | Q3FY26 |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Segmental Revenues | | | | | | | | | | | |
| Electric Consumer Durables | 12,093 | 15,160 | 53,922 | 17,266 | 13,927 | 12,878 | 16,029 | 60,100 | 15,863 | 13,712 | 13,850 |
| Lighting Products | 2,494 | 2,811 | 9,982 | 2,333 | 2,531 | 2,577 | 2,761 | 10,203 | 2,330 | 2,611 | 2,750 |
| Butterfly Products | 2,341 | 1,639 | 9,225 | 1,777 | 2,502 | 2,237 | 1,817 | 8,333 | 1,791 | 2,834 | 2,383 |
| Revenue YoY | | | | | | | | | | | |
| Electric Consumer Durables | 18.5% | 14.3% | 13.4% | 20.8% | 12.5% | 6.5% | 5.7% | 11.5% | -8.1% | -1.5% | 7.6% |
| Lighting Products | 0.7% | 0.9% | -5.7% | 1.9% | 6.0% | 3.4% | -1.8% | 2.2% | -0.2% | 3.1% | 6.7% |
| Butterfly Products | -5.8% | -12.2% | -12.7% | -18.8% | -18.1% | -4.4% | 10.8% | -9.7% | 0.8% | 13.3% | 6.5% |
| Revenue Mix | | | | | | | | | | | |
| Electric Consumer Durables | 71.4% | 77.3% | 73.7% | 80.8% | 73.5% | 72.8% | 77.8% | 76.4% | 79.4% | 71.6% | 73.0% |
| Lighting Products | 14.7% | 14.3% | 13.6% | 10.9% | 13.4% | 14.6% | 13.4% | 13.0% | 11.7% | 13.6% | 14.5% |
| Butterfly Products | 13.8% | 8.4% | 12.6% | 8.3% | 13.2% | 12.6% | 8.8% | 10.6% | 9.0% | 14.8% | 12.6% |
| Segmental EBIT | | | | | | | | | | | |
| Electric Consumer Durables | 1,642 | 2,533 | 7,747 | 2,587 | 2,064 | 1,957 | 2,675 | 9,283 | 2,116 | 1,450 | 1,800 |
| Lighting Products | 280 | 251 | 1,053 | 209 | 271 | 278 | 440 | 1,196 | 296 | 405 | 333 |
| Butterfly Products | (19) | (261) | 82 | 41 | 177 | 123 | 123 | 464 | 76 | 221 | 140 |
| Segmental EBIT Margins | | | | | | | | | | | |
| Electric Consumer Durables | 13.6% | 16.7% | 14.4% | 15.0% | 14.8% | 15.2% | 16.7% | 15.4% | 13.3% | 10.6% | 13.0% |
| Lighting Products | 11.2% | 8.9% | 10.6% | 8.9% | 10.7% | 10.8% | 15.9% | 11.7% | 12.7% | 15.5% | 12.1% |
| Butterfly Products | -0.8% | -15.9% | 0.9% | 2.3% | 7.1% | 5.5% | 6.7% | 5.6% | 4.2% | 7.8% | 5.9% |

Source: Company, JM Financial

Exhibit 2. CROMPTON – 3QFY26 result review

| (INR mn) | Q3FY24 | Q4FY24 | FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q3FY26E |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Revenue | 16,927 | 19,610 | 73,128 | 21,377 | 18,960 | 17,692 | 20,606 | 78,636 | 19,983 | 19,156 | 18,983 | 18,549 |
| YoY | 12% | 9% | 6% | 14% | 6% | 5% | 5% | 8% | -7% | 1% | 7% | 5% |
| Raw Material Costs | (11,428) | (13,352) | (50,003) | (14,561) | (12,756) | (11,801) | (13,615) | (52,733) | (13,560) | (13,106) | (12,873) | (12,428) |
| Gross Profit | 5,499 | 6,258 | 23,125 | 6,816 | 6,204 | 5,891 | 6,991 | 25,902 | 6,424 | 6,050 | 6,110 | 6,121 |
| Gross Profit margin % | 32.5% | 31.9% | 31.6% | 31.9% | 32.7% | 33.3% | 33.9% | 32.9% | 32.1% | 31.6% | 32.2% | 33.0% |
| Employee Cost | (1,457) | (1,507) | (5,899) | (1,617) | (1,597) | (1,497) | (1,679) | (6,390) | (1,698) | (1,653) | (1,700) | (1,620) |
| % of sales | 8.6% | 7.7% | 8.1% | 7.6% | 8.4% | 8.5% | 8.1% | 8.1% | 8.5% | 8.6% | 9.0% | 8.7% |
| Other expenses | (2,544) | (2,715) | (10,089) | (2,875) | (2,572) | (2,514) | (2,668) | (10,630) | (2,808) | (2,814) | (2,457) | (2,820) |
| % of sales | 15.0% | 13.8% | 13.8% | 13.5% | 13.6% | 14.2% | 12.9% | 13.5% | 14.1% | 14.7% | 12.9% | 15.2% |
| EBITDA | 1,498 | 2,036 | 7,137 | 2,324 | 2,034 | 1,880 | 2,644 | 8,882 | 1,917 | 1,584 | 1,953 | 1,681 |
| EBITDA margin% | 8.8% | 10.4% | 9.8% | 10.9% | 10.7% | 10.6% | 12.8% | 11.3% | 9.6% | 8.3% | 10.3% | 9.1% |
| YoY | -1.7% | -3.7% | -8.1% | 25.1% | 16.6% | 25.5% | 29.9% | 24.5% | -17.5% | -22.1% | 3.9% | -10.6% |
| D&A | (325) | (350) | (1,288) | (372) | (382) | (379) | (396) | (1,528) | (395) | (440) | (436) | (450) |
| EBIT | 1,173 | 1,686 | 5,849 | 1,952 | 1,653 | 1,501 | 2,248 | 7,354 | 1,522 | 1,143 | 1,517 | 1,231 |
| EBIT margin% | 6.9% | 8.6% | 8.0% | 9.1% | 8.7% | 8.5% | 10.9% | 9.4% | 7.6% | 6.0% | 8.0% | 6.6% |
| Other Income | 167 | 160 | 674 | 238 | 175 | 116 | 159 | 688 | 237 | 134 | 128 | 175 |
| Finance Costs | (215) | (156) | (792) | (155) | (120) | (105) | (100) | (480) | (98) | (52) | (84) | (45) |
| PBT | 1,125 | 1,690 | 5,731 | 2,035 | 1,707 | 1,512 | 2,308 | 7,562 | 1,661 | 1,226 | 1,561 | 1,361 |
| YoY | -1.9% | -0.8% | -7.4% | 30.6% | 25.8% | 34.4% | 36.5% | 32.0% | -18.4% | -28.2% | 3.2% | -10.0% |
| Income Tax Expense | (270) | (356) | (1,313) | (511) | (427) | (393) | (590) | (1,921) | (422) | (268) | (350) | (328) |
| Rate % | 24.0% | 21.1% | 22.9% | 25.1% | 25.0% | 26.0% | 25.6% | 25.4% | 25.4% | 21.9% | 22.4% | 24.1% |
| Exceptional | | | | | | | | | | (204) | (200) | |
| Net Profit | 855 | 1,334 | 4,418 | 1,524 | 1,281 | 1,119 | 1,718 | 5,641 | 1,239 | 754 | 1,010 | 1,033 |
| Margins | 5.0% | 6.8% | 6.0% | 7.1% | 6.8% | 6.3% | 8.3% | 7.2% | 6.2% | 3.9% | 5.3% | 5.6% |
| YoY | -3% | 1% | -8% | 25% | 27% | 31% | 29% | 28% | -19% | -41% | -10% | -8% |
| Minority Interest | 5 | 49 | (19) | (6) | (32) | (21) | (23) | (81) | (16) | (43) | (27) | (25) |
| As % of NP | -0.6% | -3.7% | 0.4% | 0.4% | 2.5% | 1.9% | 1.3% | 1.4% | 1.3% | 5.6% | 2.7% | 2.4% |
| Net Profit to Shareholders | 860 | 1,384 | 4,399 | 1,517 | 1,249 | 1,098 | 1,695 | 5,560 | 1,223 | 712 | 983 | 1,008 |
| YoY | 0.9% | 5.5% | -6% | 28.2% | 28.5% | 27.7% | 22.5% | 26% | -19.4% | -43.0% | -10.5% | -8.2% |
| Net Margin% | 5.1% | 7.1% | 6.0% | 7.1% | 6.6% | 6.2% | 8.2% | 7.1% | 6.1% | 3.7% | 5.2% | 5.4% |
| Adj PAT | 860 | 1,384 | 4,399 | 1,517 | 1,249 | 1,098 | 1,695 | 5,560 | 1,223 | 915 | 1,184 | 1,008 |

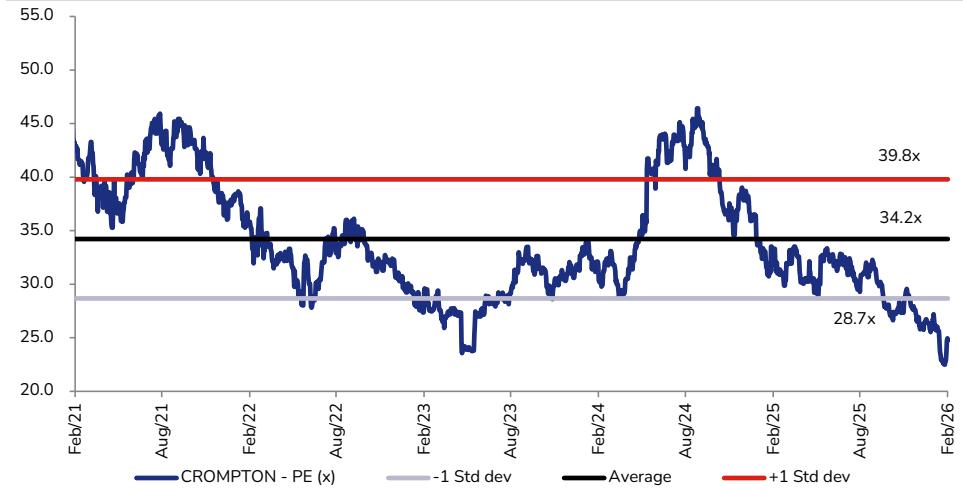
Source: Company, JM Financial

Exhibit 3. CROMPTON - EPS revision table

| INR mn | FY26E | FY27E | FY28E |
|------------------------|--------|--------|--------|
| Revenue | | | |
| New | 79,973 | 87,346 | 95,432 |
| Old | 79,973 | 87,346 | 95,432 |
| Change | 0.0% | 0.0% | 0.0% |
| EBITDA | | | |
| New | 7,976 | 9,804 | 11,134 |
| Old | 7,576 | 9,700 | 10,964 |
| Change | 5.3% | 1.1% | 1.5% |
| EBITDA Margin % | | | |
| New | 10.0% | 11.2% | 11.7% |
| Old | 9.5% | 11.1% | 11.5% |
| Change | 5.3% | 1.1% | 1.5% |
| PAT | | | |
| New | 4,911 | 6,194 | 7,174 |
| Old | 4,720 | 6,216 | 7,174 |
| Change | 4.1% | -0.3% | 0.0% |
| EPS | | | |
| New | 7.6 | 9.6 | 11.2 |
| Old | 7.3 | 9.7 | 11.2 |
| Change | 4.1% | -0.3% | 0.0% |

Source: Company, JM Financial

Exhibit 4. CROMPTON – 1-yr forward P/E band chart (last 5 years)



Source: Company, JM Financial

Financial Tables (Consolidated)

| Income Statement | | | | | Balance Sheet | | | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E | Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
| Net Sales | 73,128 | 78,636 | 80,274 | 88,891 | 98,490 | Shareholders' Fund | 29,996 | 33,900 | 36,477 | 40,298 | 45,245 |
| Sales Growth | 6.5% | 7.5% | 2.1% | 10.7% | 10.8% | Share Capital | 1,286 | 1,286 | 1,286 | 1,286 | 1,286 |
| Other Operating Income | 0 | 0 | 0 | 0 | 0 | Reserves & Surplus | 28,710 | 32,614 | 35,191 | 39,011 | 43,958 |
| Total Revenue | 73,128 | 78,636 | 80,274 | 88,891 | 98,490 | Preference Share Capital | 0 | 0 | 0 | 0 | 0 |
| Cost of Goods Sold/Op. Exp | 50,003 | 52,733 | 53,886 | 59,448 | 66,049 | Minority Interest | 4,494 | 4,576 | 4,649 | 4,740 | 4,847 |
| Personnel Cost | 5,899 | 6,390 | 6,870 | 7,385 | 7,939 | Total Loans | 5,990 | 2,998 | 0 | 0 | 0 |
| Other Expenses | 10,089 | 10,630 | 11,480 | 12,399 | 13,391 | Def. Tax Liab. / Assets (-) | 99 | 0 | 0 | 0 | 0 |
| EBITDA | 7,137 | 8,882 | 8,038 | 9,659 | 11,112 | Total - Equity & Liab. | 40,579 | 41,474 | 41,126 | 45,038 | 50,092 |
| <i>EBITDA Margin</i> | 9.8% | 11.3% | 10.0% | 10.9% | 11.3% | Net Fixed Assets | 32,553 | 33,092 | 32,813 | 32,694 | 32,478 |
| <i>EBITDA Growth</i> | -7.4% | 24.5% | -9.5% | 20.2% | 15.0% | Gross Fixed Assets | 22,037 | 24,547 | 25,797 | 27,297 | 28,797 |
| Depn. & Amort. | 1,288 | 1,528 | 1,529 | 1,618 | 1,716 | Intangible Assets | 12,855 | 12,855 | 12,855 | 12,855 | 12,855 |
| EBIT | 5,849 | 7,354 | 6,509 | 8,041 | 9,396 | Less: Depn. & Amort. | 2,923 | 4,452 | 5,981 | 7,599 | 9,315 |
| Other Income | 674 | 688 | 756 | 780 | 957 | Capital WIP | 585 | 142 | 142 | 142 | 142 |
| Finance Cost | 792 | 480 | 300 | 173 | 182 | Investments | 127 | 106 | 106 | 106 | 106 |
| PBT before Excep. & Forex | 5,731 | 7,562 | 6,965 | 8,648 | 10,171 | Current Assets | 28,137 | 30,101 | 30,426 | 36,021 | 43,135 |
| Excep. & Forex Inc./Loss(-) | 0 | 0 | 0 | 0 | 0 | Inventories | 8,304 | 8,817 | 9,370 | 10,544 | 11,949 |
| PBT | 5,731 | 7,562 | 6,965 | 8,648 | 10,171 | Sundry Debtors | 7,209 | 6,912 | 7,549 | 8,778 | 10,212 |
| Taxes | 1,313 | 1,921 | 1,743 | 2,164 | 2,545 | Cash & Bank Balances | 2,608 | 3,530 | 2,483 | 5,485 | 9,560 |
| Extraordinary Inc./Loss(-) | 0 | 0 | 0 | 0 | 0 | Loans & Advances | 0 | 0 | 0 | 0 | 0 |
| Assoc. Profit/Min. Int.(-) | 19 | 81 | 73 | 91 | 107 | Other Current Assets | 10,016 | 10,842 | 11,024 | 11,214 | 11,414 |
| Reported Net Profit | 4,399 | 5,559 | 5,149 | 6,393 | 7,519 | Current Liab. & Prov. | 20,238 | 21,824 | 22,218 | 23,783 | 25,627 |
| Adjusted Net Profit | 4,399 | 5,559 | 5,149 | 6,393 | 7,519 | Current Liabilities | 15,750 | 17,291 | 17,665 | 19,209 | 21,032 |
| Net Margin | 6.0% | 7.1% | 6.4% | 7.2% | 7.6% | Provisions & Others | 4,488 | 4,533 | 4,553 | 4,574 | 4,596 |
| Diluted Share Cap. (mn) | 643.1 | 643.8 | 643.8 | 643.8 | 643.8 | Net Current Assets | 7,899 | 8,277 | 8,208 | 12,238 | 17,508 |
| Diluted EPS (INR) | 6.8 | 8.6 | 8.0 | 9.9 | 11.7 | Total - Assets | 40,579 | 41,474 | 41,126 | 45,038 | 50,092 |
| Diluted EPS Growth | -6.1% | 26.2% | -7.4% | 24.2% | 17.6% | | | | | | |
| Total Dividend + Tax | 0 | 0 | 0 | 0 | 0 | | | | | | |
| Dividend Per Share (INR) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | |

| Dupont Analysis | | | | | | | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------------|-------|-------|-------|-------|-------|
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E | Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
| Net Margin | 6.0% | 7.1% | 6.4% | 7.2% | 7.6% | Asset Turnover (x) | 1.7 | 1.8 | 1.8 | 1.9 | 1.9 |
| Depn. & Amort. | | | | | | Leverage Factor (x) | 1.5 | 1.4 | 1.3 | 1.2 | 1.2 |
| Net Interest Exp. / Inc. (-) | 0 | 0 | 0 | 0 | 0 | RoE | 15.5% | 17.4% | 14.6% | 16.7% | 17.6% |
| Inc (-) / Dec in WCap. | 2,423 | 87 | -1,004 | -1,055 | -1,223 | | | | | | |
| Others | -23 | -99 | 0 | 0 | 0 | | | | | | |
| Taxes Paid | -1,313 | -1,921 | -1,743 | -2,164 | -2,545 | | | | | | |
| Operating Cash Flow | 8,087 | 7,076 | 5,674 | 6,957 | 8,012 | | | | | | |
| Capex | -1,077 | -2,067 | -1,250 | -1,500 | -1,500 | | | | | | |
| Free Cash Flow | 7,010 | 5,009 | 4,424 | 5,457 | 6,512 | | | | | | |
| Inc (-) / Dec in Investments | -1,536 | -299 | 0 | 0 | 0 | | | | | | |
| Others | 244 | -168 | -64 | -67 | -70 | | | | | | |
| Investing Cash Flow | -2,368 | -2,534 | -1,314 | -1,567 | -1,570 | | | | | | |
| Inc / Dec (-) in Capital | 926 | 595 | 0 | 0 | 0 | | | | | | |
| Dividend + Tax thereon | 0 | 0 | 0 | 0 | 0 | | | | | | |
| Inc / Dec (-) in Loans | -3,219 | -2,046 | -2,909 | 94 | 99 | | | | | | |
| Others | -1,913 | -2,168 | -2,499 | -2,482 | -2,466 | | | | | | |
| Financing Cash Flow | -4,206 | -3,619 | -5,408 | -2,388 | -2,367 | | | | | | |
| Inc / Dec (-) in Cash | 1,513 | 923 | -1,047 | 3,002 | 4,075 | | | | | | |
| Opening Cash Balance | 1,095 | 2,608 | 3,530 | 2,483 | 5,485 | | | | | | |
| Closing Cash Balance | 2,608 | 3,530 | 2,483 | 5,485 | 9,560 | | | | | | |

Source: Company, JM Financial

| History of Recommendation and Target Price | | | | Recommendation History |
|--|----------------|--------------|--------|------------------------|
| Date | Recommendation | Target Price | % Chg. | |
| 25-Jul-22 | Buy | 530 | | |
| 27-Oct-22 | Buy | 470 | -11.3 | |
| 4-Feb-23 | Buy | 435 | -7.6 | |
| 27-Apr-23 | Hold | 261 | -39.9 | |
| 22-May-23 | Hold | 280 | 7.2 | |
| 16-Aug-23 | Hold | 300 | 7.1 | |
| 6-Nov-23 | Hold | 320 | 6.7 | |
| 15-Feb-24 | Hold | 330 | 3.1 | |
| 25-Mar-24 | Hold | 320 | -3.0 | |
| 17-May-24 | Hold | 380 | 18.8 | |
| 1-Aug-24 | Hold | 470 | 23.7 | |
| 26-Sep-24 | Hold | 470 | 0.0 | |
| 16-Nov-24 | Hold | 425 | -9.6 | |
| 12-Feb-25 | Buy | 440 | 3.5 | |
| 27-Feb-25 | Buy | 440 | 0.0 | |
| 16-May-25 | Buy | 420 | -4.5 | |
| 7-Aug-25 | Buy | 400 | -4.8 | |
| 10-Oct-25 | Buy | 400 | 0.0 | |
| 7-Nov-25 | Buy | 380 | -5.0 | |
| 8-Jan-26 | Buy | 370 | -2.6 | |

APPENDIX I

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

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| 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)

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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.com

Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com

Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com
