ABB India

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	ABB IN
Equity Shares (m)	212
M.Cap.(INRb)/(USDb)	1079.1 / 12.3
52-Week Range (INR)	8941 / 4590
1, 6, 12 Rel. Per (%)	-10/-14/-33
12M Avg Val (INR M)	2455

Financials Snapshot (INR b)

Y/E DEC	CY25E	CY26E	CY27E
Net Sales	134.7	153.1	175.2
EBITDA	20.5	24.6	29.2
PAT	17.0	20.2	23.7
EPS (INR)	80.0	95.1	111.9
GR. (%)	-9.5	18.8	17.6
BV/Sh (INR)	366.9	405.6	449.7
Ratios			
ROE (%)	22.8	24.6	26.2
RoCE (%)	23.0	24.8	26.3
Valuations			
P/E (X)	63.7	53.6	45.6
P/BV (X)	13.9	12.6	11.3
EV/EBITDA (X)	51.8	43.0	35.9
Div Yield (%)	0.8	0.9	1.1

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	75.0	75.0	75.0
DII	7.7	7.0	5.6
FII	9.3	10.3	12.1
Others	8.1	7.7	7.3

FII Includes depository receipts

CMP: INR5,093 TP: INR6,000 (+18%) Buy

Weakness to persist a bit longer

ABB India's 2QCY25 results were lower than our estimates as margins contracted significantly owing to forex fluctuations, quality control order (QCO) implementation and competitive pricing. Order inflows declined 12% YoY, while base ordering was strong. Demand remained sluggish across segments during 2QCY25 and is still far off from the highs seen two years ago. We cut our estimates by 15%/8%/2% for CY25/26/27 to bake in lower margins. ABB is currently trading at 63.7x/53.6x/45.6x on CY25E/CY26E /CY27E earnings. We believe that in the near term, ABB can underperform due to margin pressure and sluggish ordering activity in the private and government sectors. However, in the long run, we expect ABB to 1) improve its margins once the QCO implementation is over in the next few quarters and 2) improve its revenue once ordering activity starts ramping up. We, thus, maintain BUY with a revised DCF-based PT of INR6,000, implying 55x Sep'27E earnings. Scope of re-rating back to higher multiples will emerge once inflows and margins start showing an improving trend.

Results impacted by forex fluctuation and higher costs due to QCO implementation

ABB's margin and PAT came in lower than our estimates due to forex fluctuations and exceptional expenses during the quarter. For 2QCY25, revenue grew by 12% YoY, while EBITDA/PAT fell by 24%/20%. Revenue was in line, whereas EBITDA/PAT missed our estimates by 30%/27%. Electrification revenue growth was strong, while other segments were weak due to delays in clearance and decision-making in certain sectors. Gross margin declined 350bp QoQ and 470bp YoY. EBITDA margin contracted 620bp YoY to 13.0% vs. our estimate of 18.4%. Margins remained under pressure mainly due to the margin contraction in the Electrification and Robotics & Motion segments, which were affected by competitive pricing and forex loss during the quarter. PAT declined 21% YoY to INR3.5b.

Ordering activity weak, hopes lie on 2HCY25

Order inflows were weak during the quarter, down12% YoY at INR30.4b. Base orders formed INR30.2b (+5% YoY), while large orders at INR130m were impacted by subdued market conditions. As a result, the order book moved up to INR100.6b. Within segments, for electrification and motion, the company saw softer demand across key areas and expects a revival in 2HCY25. Similarly, for process automation, the company is cautiously optimistic about the demand revival in 2HCY25. Government capex has started moving up but is still lower than previous highs. Private capex is yet to show meaningful signs of revival. We build in weak inflow growth in CY25 and expect it to ramp up from CY26 onward.

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Margin performance can remain weak in near term

EBITDA margin declined significantly during 2QCY25 due to a sharp margin contraction seen in the electrification and motion segments. During the quarter, forex fluctuations worth INR565m were recognized pertaining to EUR and CHF appreciation. Along with this, as per BIS standards, in order to adhere to the QCO implementation timeline for certain products, the company had to import a lot of components to stay committed to delivery timelines. This resulted in higher impact of forex fluctuations and higher inventories. The QCO implementation timeline varies for different products, and many products have an implementation timeline between Mar'26 and Sep'26. Thus, we believe that for the next few quarters, ABB would have to rely on sourcing the components from domestic as well as imports. This can weigh on near-term margin performance. Incremental costs are easier to pass on for long-term contracts but difficult for short-term contracts. We, thus, build in 310bp/160bp/40bp reduction in EBITDA margin to 15.2%/16.0%/16.7% for CY25/26/27.

Electrification segment: QCO and forex weigh on profitability

Electrification segment witnessed 23% YoY revenue growth in 2QCY25, while PBIT margin declined 700bp YoY to 16.1% due to higher import content to comply with the QCO compliance requirements, forex volatility, and a one-time impact of INR395m during the quarter. Order inflow for the segment declined 4% YoY owing to a high base of large orders last year. Demand remains strong across key industries such as renewables, data centers, smart building, and infrastructure. We expect the segment's revenue/orders to clock a CAGR of 21%/20% over CY25-27, with PBIT margins to be in the range of 18%-20%.

Motion and Robotics: Revenue grows amid order weakness

Motion and Robotics segments posted healthy revenue growth, though new order intake remained under pressure. The robotics segment continued to benefit from rising adoption in emerging sectors such as electronics and automotive. While revenue grew 181% YoY, margins contracted to 6.5% (vs. 14.6% in 2QCY24) due to forex volatility, and order inflow dropped 24% YoY to INR1.2b, mainly due to a delay in service orders. In motion, revenue inched up 1% YoY, supported by increased deliveries in drive products, traction systems, and services. However, order inflows declined 17% YoY due to the absence of a large railway contract seen in 2QCY24. Additionally, competitive pricing and forex headwinds compressed profitability. We expect both these segments together to clock a CAGR of 13% each in revenue and order inflows over CY25-27 on stronger execution, with PBIT margin ranging around 17%-18%.

Process Automation: Revenue drag continues amid weak ordering

Process automation remained under pressure as both order inflows (-12% YoY) and revenue (-22% YoY) declined due to delayed finalization in customer projects and changes in delivery schedules. Though demand was visible in sectors like mining and paper, execution suffered in the absence of large orders that benefited the base quarter. However, PBIT margin held up at 17.2% (vs. 16.2% in 2QCY24), supported by a favorable service mix, operational efficiencies, and project closures, which partially offset forex losses. ABB expects near-term pressure to persist due to prolonged customer decision cycles, especially in government and core infra-linked projects. Given weak ordering, we expect a negative revenue CAGR of 3% in the segment over CY25-27 with PBIT margin in the range of 15-17%.

Financial outlook

We cut our estimates by 15%/8%/2% for CY25/26/27 to bake in lower margins for Electrification and Motion segments, which are currently impacted by the QCO implementation and competitive pricing. We build in 310bp/160bp/40bp reduction in EBITDA margin at 15.2%/16.0%/16.7% for CY25/26/27. We maintain our order inflow and revenue estimates and expect order inflow activity to be a bit sluggish during CY25. We, thus, expect revenue/EBITDA/PAT CAGR of 14%/19%/18% over CY25-27.

Valuation and recommendation

We believe that in the near term, ABB can underperform due to margin pressure and sluggish ordering activity in the private and government sectors. However, in the long run, we expect ABB to improve its margins once the QCO implementation is over in the next few quarters and revenues once ordering activity starts ramping up. We, thus, maintain BUY with a revised DCF-based TP of INR6,000, implying 55x Sep'27E earnings. The scope of re-rating back to higher multiples will emerge once inflows and margins start showing an improving trend.

Key risks and concerns

Slowdown in order inflows, pricing pressure across segments, increased competition, supply chain issues, and geopolitical risks could affect our estimates and valuations.

Standalone - Quarterly Earning Model (INR m)

Y/E December	CY24				CY25E				CY24	CY25E	CY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
Net Sales	**30,804**	**28,309**	**29,122**	**33,649**	**31,596**	**31,754**	**33,412**	**37,971**	**1,21,883**	**1,34,733**	**32,160**	**-1**
YoY Change (%)	27.8	12.8	5.2	22.0	2.6	12.2	14.7	12.8	16.7	10.5	13.6	
Total Expenditure	25,152	22,884	23,719	27,076	25,773	27,614	28,634	32,194	98,831	1,14,214	26,244	
EBITDA	**5,652**	**5,425**	**5,402**	**6,573**	**5,823**	**4,141**	**4,778**	**5,777**	**23,052**	**20,519**	**5,916**	**-30**
Margins (%)	18.3	19.2	18.6	19.5	18.4	13.0	14.3	15.2	18.9	15.2	18.4	
Depreciation	314	310	328	337	338	355	336	336	1,289	1,365	341	
Interest	38	45	30	51	47	42	36	20	165	145	36	
Other Income	871	868	929	866	923	998	874	874	3,534	3,668	938	
PBT before EO expense	**6,171**	**5,938**	**5,973**	**7,051**	**6,361**	**4,741**	**5,279**	**6,295**	**25,133**	**22,677**	**6,476**	**-27**
PBT	**6,171**	**5,938**	**5,973**	**7,051**	**6,361**	**4,741**	**5,279**	**6,295**	**25,133**	**22,677**	**6,476**	**-27**
Tax	1,575	1,511	1,568	1,732	1,620	1,220	1,330	1,544	6,387	5,715	1,632	
Rate (%)	25.5	25.5	26.3	24.6	25.5	25.7	25.2	24.5	25.4	25.2	25.2	
Reported PAT	**4,596**	**4,426**	**4,405**	**5,319**	**4,741**	**3,521**	**3,949**	**4,752**	**18,746**	**16,962**	**4,844**	**-27**
Adj PAT	**4,596**	**4,426**	**4,405**	**5,319**	**4,741**	**3,521**	**3,949**	**4,752**	**18,746**	**16,962**	**4,844**	**-27**
YoY Change (%)	87.4	49.6	21.7	54.1	3.2	-20.5	-10.3	-10.7	50.2	-9.5	9.4	
Margins (%)	14.9	15.6	15.1	15.8	15.0	11.1	11.8	12.5	15.4	12.6	15.1	

INR m	CY24 1Q	CY24 2Q	CY24 3Q	CY24 4Q	CY25E 1Q	CY25E 2Q	CY25E 3QE	CY25E 4QE	CY24	CY25E
Segmental revenue										
Robotics & Motion	11,219	11,601	11,908	12,590	12,454	13,242	13,456	13,413	47,318	52,565
YoY Change (%)	7.9	11.6	8.3	23.2	11.0	14.1	13.0	6.5	12.6	11.1
Electrification Products	12,963	11,214	11,540	15,028	13,577	13,786	15,002	19,369	50,744	61,733
YoY Change (%)	29.7	11.5	10.7	33.0	4.7	22.9	30.0	28.9	21.5	21.7
Process Automation	7,263	6,327	5,963	6,277	5,865	4,921	5,247	5,589	25,830	21,622
YoY Change (%)	72.9	24.2	-11.7	-0.5	-19.3	-22.2	-12.0	-11.0	15.5	-16.3
Unallocated and others (incl. excise duty)	26	44	47	60	51	38	44	44	176	178
Less: inter-segmental	-667	-877	-335	-306	-351	-232	-337	-444	-2,185	-1,365
Total revenues	**30,804**	**28,309**	**29,122**	**33,649**	**31,596**	**31,754**	**33,412**	**37,971**	**1,21,883**	**1,34,733**
Segmental EBIT										
Robotics & Motion	2,332	2,613	2,659	2,485	2,596	1,942	2,287	2,286	10,089	9,112
Margin (%)	20.8	22.5	22.3	19.7	20.8	14.7	17.0	17.0	21.3	17.3
Electrification Products	3,078	2,594	2,397	3,548	3,356	2,214	2,400	3,142	11,618	11,112
Margin (%)	23.7	23.1	20.8	23.6	24.7	16.1	16.0	16.2	22.9	18.0
Process Automation	1,181	1,023	1,145	1,221	962	842	897	974	4,570	3,676
Margin (%)	16.3	16.2	19.2	19.4	16.4	17.1	17.1	17.4	17.7	17.0
Total	**6,590**	**6,230**	**6,202**	**7,254**	**6,914**	**4,998**	**5,585**	**6,402**	**26,276**	**23,899**

Conference call highlights

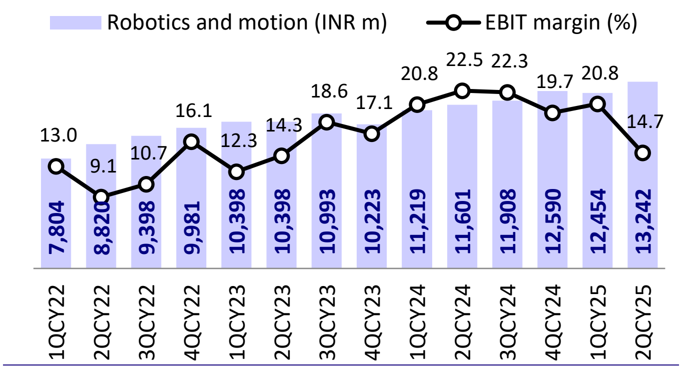
- **Execution in 2Q:** Despite operational headwinds such as QCO-related disruptions and forex volatility, ABB ensured continuity in customer commitments by leveraging its strong backlog and diversified segment exposure. Management emphasized that execution strength was particularly visible in segments like process automation, where high service content and project closures supported profitability. While electrification and motion segments faced some delays and cost pressures due to imported content, ABB's overall execution momentum remained intact, supported by disciplined order conversion.
- **Order inflows and order book:** Base orders grew 5% YoY, led by traction in Tier 2 and Tier 3 markets, though large orders remained absent this quarter. The total order backlog stood at INR100.6b, with a healthy mix of large and product orders spread over an 18-24-month execution cycle. While base orders in motion and electrification remained resilient, process automation saw order delays, and robotics had a high prior base from a large electronics order.
- **2H order inflow expectations:** Management expects 2HCY25 to see a gradual pickup in order inflows, though at a more normalized pace compared to the post-Covid surge seen over the last few years. While the large order pipeline is not as robust as seen in earlier periods, the company is hopeful of converting a few mid- to large-sized opportunities in segments such as railways, metros, and data centers. Private sector capex decisions remain cautious due to global uncertainties and delayed clarity on domestic consumption trends, but public capex, particularly in infra, is expected to gather pace in 2H. ABB also expects continued order inflow from emerging trends such as energy transition, grid strengthening, and digital infrastructure, including localized data centers and cloud computing ecosystems.
- **Prospect pipeline delayed, not decreased:** Management clarified that the overall project pipeline has not reduced meaningfully but is facing delays in decision-making across segments. In process automation and motion, prospects remain healthy, with delays attributed to timing rather than demand decline.

Electrification continues to see strong base enquiries, though large project decisions, particularly in oil & gas and heavy industries like cement and steel, are taking longer. In robotics, interest levels are high with a short-term gap, which is expected to normalize. Overall, management views the situation as temporary, with recovery likely once customer confidence improves.

- **Nature of hit on electrification segment:** The electrification business faced a one-time impact of INR395m due to engineering corrections in an ongoing project. Additionally, this segment was disproportionately impacted by the QCO compliance requirements, which forced ABB to import critical components at elevated costs to meet delivery deadlines. These factors, along with an unfavorable revenue mix tilted toward trading activity, have impacted segmental profitability. This QCO requirement is expected to last for a few more quarters.
- **Impact of US tariffs:** Management claimed that the impact of recently announced US tariffs would be negligible for ABB India. Over 90% of its revenue is derived from the domestic market, and its global 'local-for-local' sourcing model has further helped the company during trade disruptions. Only a small portion of exports go to the US, and any cost impact on these limited volumes is not material to the overall business. After Covid, ABB has deepened its domestic supply chain integration, aligning its sourcing and manufacturing footprint more closely with local demand, which will help ABB mitigate the impact of geopolitical or tariff-related risks.
- **Pricing impact:** The company faced headwinds on price realization, particularly in motors, due to heightened competition and weaker demand in some segments. While ABB remains focused on offering technologically superior products, pricing volatility in short-cycle product orders is harder to pass through. Long-cycle orders are somewhat shielded through index-based adjustments. Inflationary costs are partly being passed on, but the volatility in input prices, particularly for imports, has led to margin compression.
- **Forex losses:** Forex volatility had a material impact (~INR565m), particularly from EUR and CHF appreciation during the quarter, which affected hedged imports. ABB uses fair value hedging, and currency movements directly impacted the P&L. Some of this impact was mitigated through service revenue and favorable project mix in process automation.
- **Competition from Chinese players:** Management acknowledged increased Chinese competition, particularly in process automation and heavy industries, with aggressive pricing. However, the company has chosen not to match irrational prices and focuses on value-added offerings. No significant Chinese presence was seen yet in electrification or motion segments.

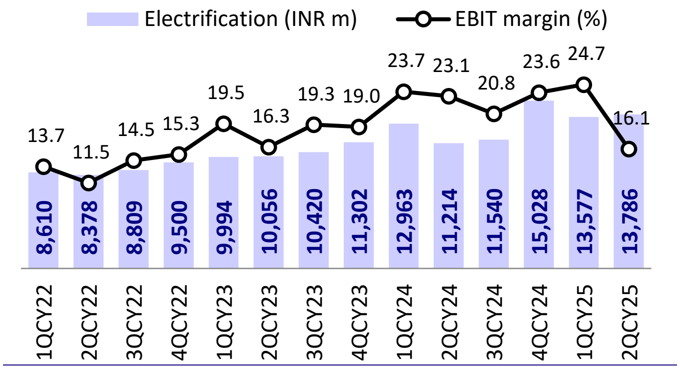
Key Exhibits

Exhibit 1: Robotics and motion segment margin contracted due to forex loss



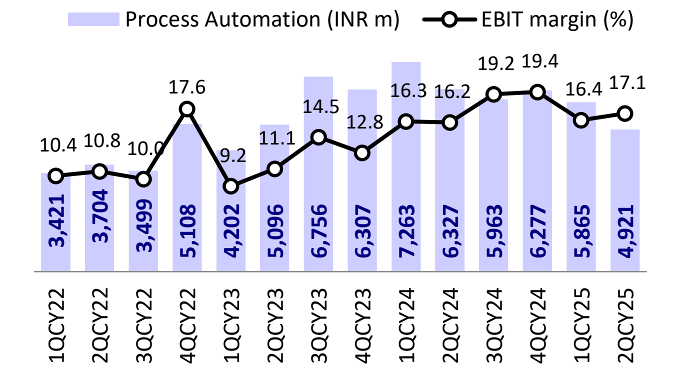
Source: Company, MOFSL

Exhibit 2: Electrification segment margin contracted due to higher import content and engineering corrections



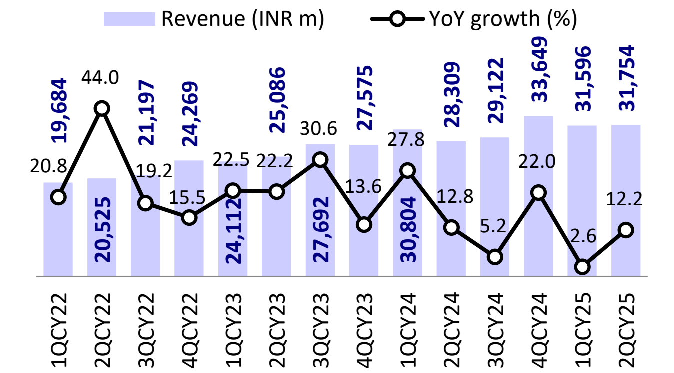
Source: Company, MOFSL

Exhibit 3: Process Automation revenue was down 22% YoY on changes in delivery schedule of customers



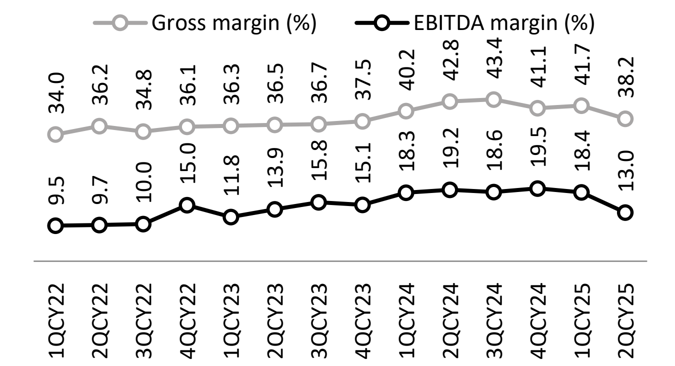
Source: Company, MOFSL

Exhibit 4: Overall revenue up 12% YoY, on higher volumes across segments, offset by shortfall in Process Automation



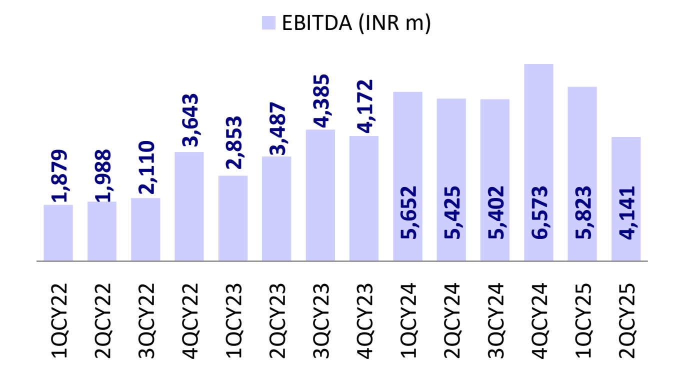
Source: Company, MOFSL

Exhibit 5: EBITDA margin contracted due to volatility in input prices



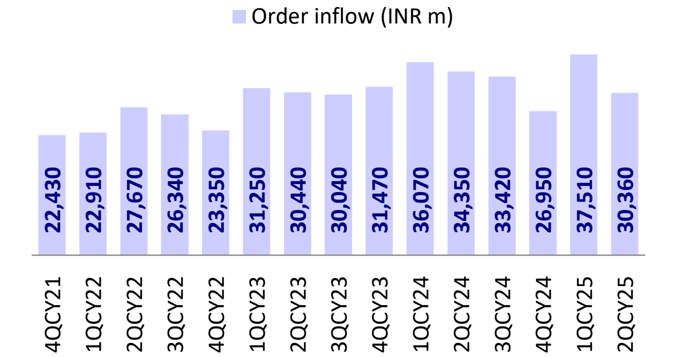
Source: Company, MOFSL

Exhibit 6: Journey of profitable growth continues with EBITDA growing marginally by 3% YoY to INR5.8b



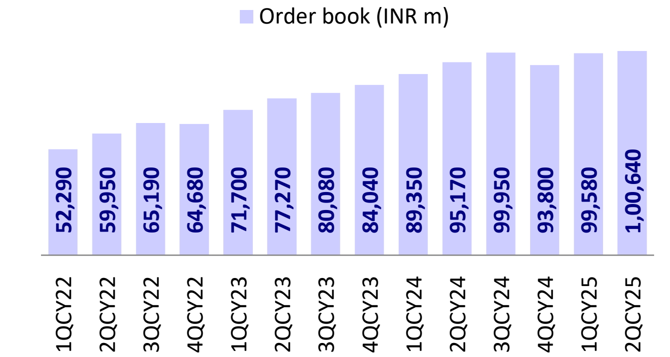
Source: Company, MOFSL

Exhibit 7: Order inflow decreased 4% YoY on absence of large orders compared to previous year



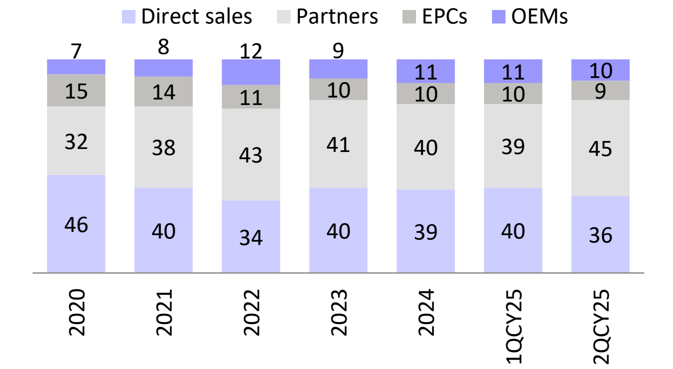
Source: Company, MOFSL

Exhibit 8: Order book up 12% YoY with increased share of base orders



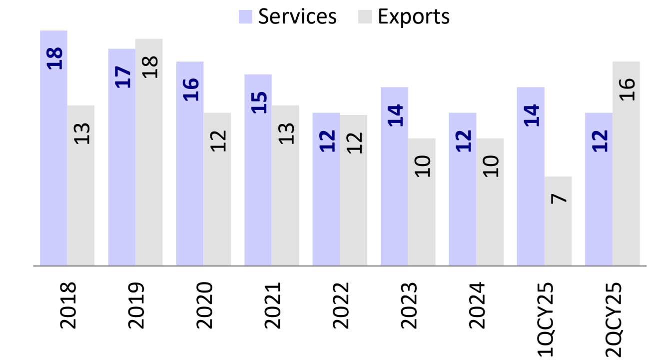
Source: Company, MOFSL

Exhibit 9: Breakup of revenues by channels (%) led by direct sales and partners in 2QCY25



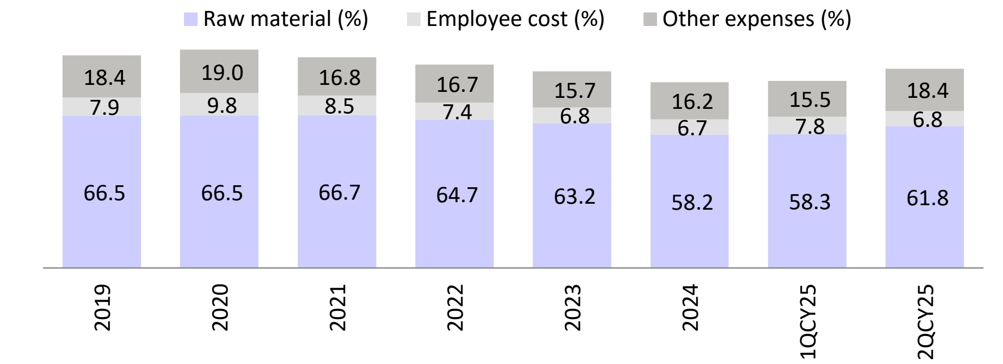
Source: Company, MOFSL

Exhibit 10: Decreased share of services in revenues led to lower operating margin in 2QCY25 (%)



Source: Company, MOFSL

Exhibit 11: Higher operating expenses during the quarter led to margin contraction



Source: Company, MOFSL

Exhibit 1: Segregation of market segments based on high (>15%), moderate (8% to 15%) and low (<8%) growth rates

High	Moderate	Low
Data Center	Water & wastewater	Power distribution
Electronics	Railways & Metro	Cement
Renewables	Buildings & infrastructure	Metals & Mining
	Oil, gas & chemicals	Pulp & Paper
	Food & beverage	Marine & Ports
	Pharma & healthcare	Textiles
	Automotive	
	Rubber & plastics	

Source: Company, MOFSL

Exhibit 2: ABB India's order inflow decreased 12% YoY while for ABB Group it was down 9% YoY in 2QCY25

Demand vs Supply Q2'25

Orders for ABB in India is -12% while for ABB Group it is -9% in Q2'25

Fig in MUSD @ 1 $ = 83.91 INR

ABB Group
India Orders

Indian 3rd party customers served by	Q2/25	Q2/24	*Change %*
ABB India Ltd	320	360	*-11%*
Other ABB companies in India	9	4	*+125%*
ABB companies outside India	5	4	*+25%*
Group India Orders	334	368	*-9%*

ABB India Ltd
Reported Orders

Domestic and Export	Q2/25	Q2 24	*Change %*
3rd party customers in India (Domestic)	320	360	*-11%*
Exports	41	49	*-16%*
Orders from India	361	409	*-12%*

Source: Company

Exhibit 12: ABB has lagged behind the parent entity in 2QCY25 in terms of segmental margins, mainly due to forex losses and higher import content (Segment wise margins % - Parent vs. ABB India)

Electrification	2019	2020	2021	2022	2023	2024	1QCY25	2QCY25
Parent (A)	13.3%	14.1%	16.1%	16.5%	20.1%	22.7%	23.2%	23.9%
ABB India (B)	9.8%	4.1%	11.1%	13.8%	18.5%	22.9%	24.7%	16.1%
Net margin difference (A-B)	**3.5%**	**10.0%**	**5.0%**	**2.7%**	**1.6%**	**-0.2%**	**-1.5%**	**7.8%**
Motion								
Parent (A)	16.6%	16.8%	17.1%	17.3%	18.9%	19.4%	19.6%	19.8%
ABB India (B)	9.2%	5.3%	12.5%	12.3%	15.9%	22.1%	21.9%	16.4%
Net margin difference (A-B)	**7.4%**	**11.5%**	**4.6%**	**5.0%**	**3.0%**	**-2.7%**	**-2.3%**	**3.4%**
Process Automation								
Parent (A)	11.7%	7.8%	12.8%	14.0%	14.5%	15.1%	15.8%	15.9%
ABB India (B)	6.1%	-5.4%	9.1%	12.8%	12.3%	17.7%	16.4%	17.2%
Net margin difference (A-B)	**5.6%**	**13.2%**	**3.7%**	**1.2%**	**2.2%**	**-2.6%**	**-0.6%**	**-1.3%**
Robotics and Discrete Automation								
Parent (A)	11.9%	8.2%	10.8%	10.7%	14.7%	10.2%	9.9%	9.1%
ABB India (B)	8.8%	3.2%	7.9%	12.5%	12.7%	13.5%	13.2%	6.5%
Net margin difference (A-B)	**3.1%**	**5.0%**	**2.9%**	**-1.8%**	**2.0%**	**-3.3%**	**-3.3%**	**2.6%**

Source: Company, MOFSL

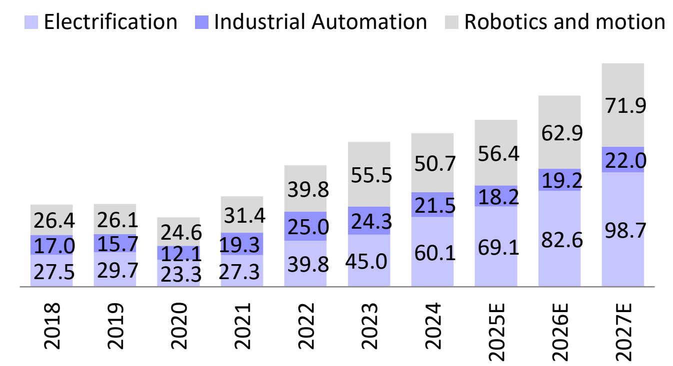
Exhibit 13: We trim our estimates by 15%/8%/2% for CY25/26/27 to bake in lower margins

(INR M)	CY25E			CY26E			CY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,34,733	1,34,045	0.5	1,53,089	1,51,704	0.9	1,75,207	1,73,548	1.0
EBITDA	20,519	24,502	(16.3)	24,569	26,749	(8.1)	29,220	29,642	(1.4)
EBITDA (%)	15.2	18.3	-310 bp	16.0	17.6	-160 bp	16.7	17.1	-40 bp
Adj. PAT	16,962	20,005	(15.2)	20,156	21,947	(8.2)	23,703	24,219	(2.1)
EPS (INR)	80.0	94.4	(15.2)	95.1	103.6	(8.2)	111.9	114.3	(2.1)

Source: MOFSL

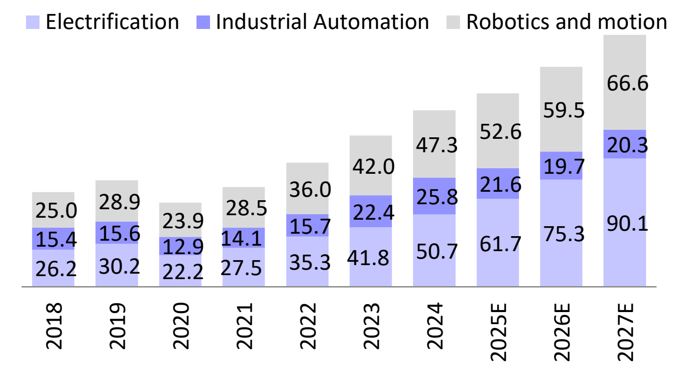
Financial outlook

Exhibit 14: We expect 16% order inflow CAGR over CY25-CY27E (INR b)



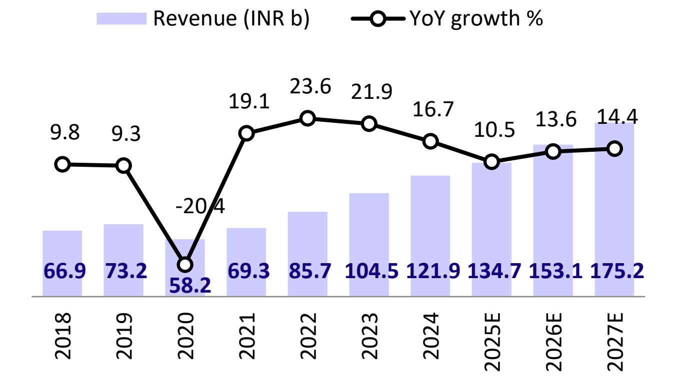
Source: Company, MOFSL

Exhibit 15: Revenue is expected to clock 14% CAGR over CY25-27E (INR b)



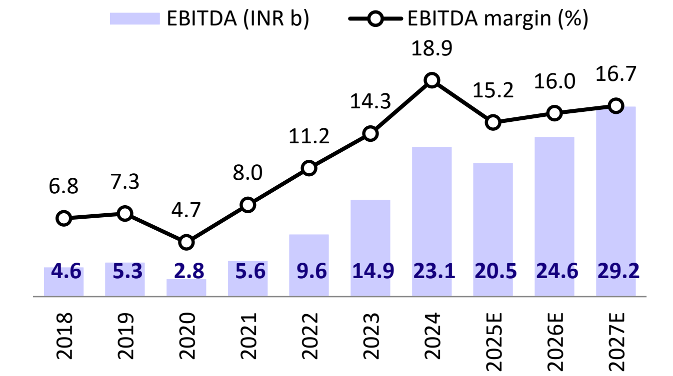
Source: Company, MOFSL

Exhibit 16: Revenue growth has been strong over last few years on healthy inflows (INR b)



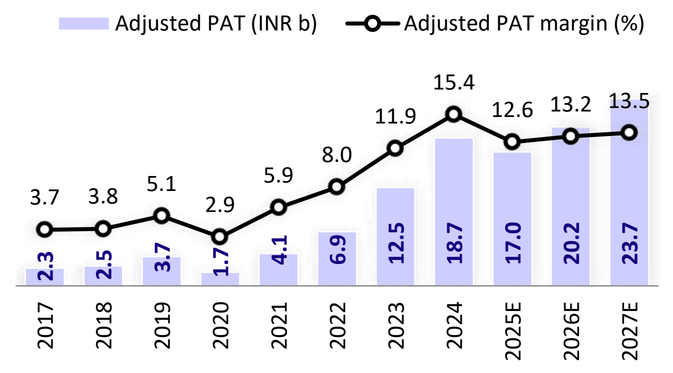
Source: Company, MOFSL

Exhibit 17: We expect ABB to clock 19% EBITDA CAGR over CY25-CY27E (INR b)



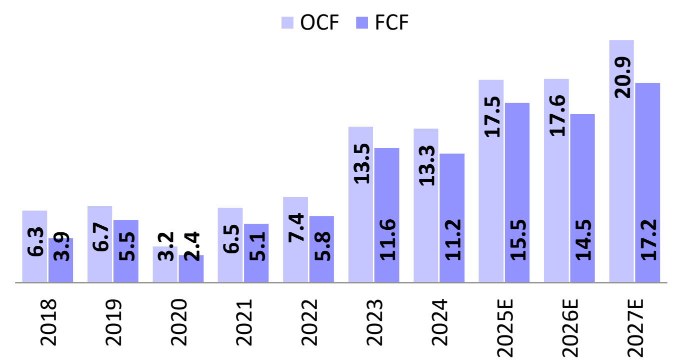
Source: Company, MOFSL

Exhibit 18: PAT is expected to post 18% CAGR over CY25-CY27E (INR b)



Source: Company, MOFSL

Exhibit 19: FCF and OCF to remain strong on stable working capital (INR b)



Source: Company, MOFSL

Financials and Valuation

Standalone - Income Statement (INR m)

Y/E Dec	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
Total Income from Operations	**69,340**	**85,675**	**1,04,465**	**1,21,883**	**1,34,733**	**1,53,089**	**1,75,207**
Change (%)	19.1	23.6	21.9	16.7	10.5	13.6	14.4
Raw Materials	46,263	55,426	66,025	70,903	80,840	93,384	1,06,701
Gross Profit	**23,077**	**30,249**	**38,440**	**50,980**	**53,893**	**59,705**	**68,506**
Employee Cost	5,882	6,353	7,152	8,219	9,359	10,315	11,769
Other Expenses	11,627	14,277	16,391	19,709	24,015	24,821	27,517
Total Expenditure	**63,773**	**76,057**	**89,567**	**98,831**	**1,14,214**	**1,28,520**	**1,45,987**
% of Sales	92.0	88.8	85.7	81.1	84.8	84.0	83.3
EBITDA	**5,567**	**9,619**	**14,898**	**23,052**	**20,519**	**24,569**	**29,220**
Margin (%)	8.0	11.2	14.3	18.9	15.2	16.0	16.7
Depreciation	1,027	1,047	1,199	1,289	1,365	1,523	1,767
EBIT	**4,540**	**8,572**	**13,699**	**21,763**	**19,154**	**23,046**	**27,453**
Int. and Finance Charges	107	131	127	165	145	146	148
Other Income	1,596	1,795	3,017	3,534	3,668	4,047	4,383
PBT bef. EO Exp.	**6,029**	**10,235**	**16,589**	**25,133**	**22,677**	**26,947**	**31,688**
EO Items							
PBT after EO Exp.	**6,029**	**10,235**	**16,589**	**25,133**	**22,677**	**26,947**	**31,688**
Total Tax	1,918	3,372	4,107	6,387	5,715	6,791	7,985
Tax Rate (%)	31.8	32.9	24.8	25.4	25.2	25.2	25.2
Reported PAT	**4,112**	**6,863**	**12,482**	**18,746**	**16,962**	**20,156**	**23,703**
Adjusted PAT	**4,112**	**6,863**	**12,482**	**18,746**	**16,962**	**20,156**	**23,703**
Change (%)	139.5	66.9	81.9	50.2	-9.5	18.8	17.6
Margin (%)	5.9	8.0	11.9	15.4	12.6	13.2	13.5

Standalone - Balance Sheet (INR m)

Y/E Dec	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
Equity Share Capital	424	424	424	424	424	424	424
Total Reserves	40,028	48,970	59,022	70,330	77,326	85,523	94,873
Net Worth	**40,452**	**49,394**	**59,446**	**70,754**	**77,750**	**85,946**	**95,297**
Total Loans	0	0	0	0	0	0	0
Deferred Tax Liabilities	-939	-898	-1,027	-985	-985	-985	-985
Capital Employed	**39,513**	**48,496**	**58,419**	**69,769**	**76,765**	**84,962**	**94,312**
Gross Block	11,764	13,432	15,624	17,061	19,034	22,085	25,763
Less: Accum. Deprn.	3,741	4,586	5,831	6,589	7,953	9,476	11,243
Net Fixed Assets	**8,024**	**8,846**	**9,793**	**10,472**	**11,081**	**12,609**	**14,520**
Goodwill on Consolidation	146	146	146	146	146	146	146
Capital WIP	769	693	599	948	948	948	948
Total Investments	**0**	**4,932**	**39,408**	**45,738**	**45,738**	**45,738**	**45,738**
Curr. Assets, Loans&Adv.	**70,248**	**77,668**	**59,038**	**65,625**	**77,742**	**92,191**	**1,08,937**
Inventory	10,091	14,207	15,608	17,780	16,661	18,748	21,296
Account Receivables	25,604	24,451	25,443	29,837	32,982	37,476	42,890
Cash and Bank Balance	26,877	31,491	8,769	9,356	18,430	24,898	31,994
Loans and Advances	796	921	1,859	1,101	1,321	1,585	1,902
Other Current Asset	6,880	6,599	7,359	7,551	8,347	9,484	10,855
Curr. Liability & Prov.	**39,781**	**43,788**	**50,566**	**53,159**	**58,889**	**66,670**	**75,976**
Other Current Liabilities	36,436	39,956	46,058	47,960	52,983	59,959	68,295
Provisions	3,345	3,832	4,508	5,200	5,906	6,711	7,680
Net Current Assets	**30,467**	**33,880**	**8,472**	**12,465**	**18,853**	**25,521**	**32,961**
Misc Expenditure	107	0	0	0	0	0	0
Appl. of Funds	**39,513**	**48,496**	**58,419**	**69,769**	**76,765**	**84,962**	**94,312**

Financials and Valuation

Ratios

Y/E Dec	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
Basic (INR)							
EPS	**19.4**	**32.4**	**58.9**	**88.5**	**80.0**	**95.1**	**111.9**
Cash EPS	24.2	37.3	64.6	94.6	86.5	102.3	120.2
BV/Share	190.9	233.1	280.5	333.9	366.9	405.6	449.7
DPS	5.2	4.5	29.3	33.5	40.2	48.2	57.9
Payout (%)	31.4	16.3	58.2	44.3	58.8	59.3	60.5
Valuation (x)							
P/E	262.8	157.5	86.6	57.6	63.7	53.6	45.6
Cash P/E	210.3	136.6	79.0	53.9	59.0	49.8	42.4
P/BV	26.7	21.9	18.2	15.3	13.9	12.6	11.3
EV/Sales	15.2	12.2	10.3	8.8	7.9	6.9	6.0
EV/EBITDA	189.3	109.1	72.0	46.5	51.8	43.0	35.9
Dividend Yield (%)	0.1	0.1	0.6	0.7	0.8	0.9	1.1
FCF per share	24.2	26.7	54.9	52.6	73.2	68.6	81.2
Return Ratios (%)							
RoE	10.7	15.3	22.9	28.8	22.8	24.6	26.2
RoCE	10.9	15.5	23.1	29.0	23.0	24.8	26.3
RoIC	25.9	49.4	98.1	138.9	112.9	137.8	141.6
Working Capital Ratios							
Fixed Asset Turnover (x)	5.9	6.4	6.7	7.1	7.1	6.9	6.8
Asset Turnover (x)	1.8	1.8	1.8	1.7	1.8	1.8	1.9
Inventory (Days)	53	61	55	53	45	45	44
Debtor (Days)	135	104	89	89	89	89	89
Creditor (Days)	0	0	0	0	0	0	0
Leverage Ratio (x)							
Current Ratio	1.8	1.8	1.2	1.2	1.3	1.4	1.4
Interest Cover Ratio	42.4	65.4	108.2	132.3	132.0	157.5	186.0
Net Debt/Equity	-0.7	-0.7	-0.8	-0.8	-0.8	-0.8	-0.8

Standalone - Cashflow Statement **(INR m)**

Y/E Dec	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
OP/(Loss) before Tax	7,072	13,503	16,589	25,133	22,677	26,947	31,688
Depreciation	1,027	1,047	1,199	1,289	1,365	1,523	1,767
Interest & Finance Charges	-579	-1,137	-2,644	-3,268	-3,523	-3,901	-4,235
Direct Taxes Paid	-1,131	-2,467	-3,667	-6,626	-5,715	-6,791	-7,985
(Inc)/Dec in WC	1,015	-194	1,696	-3,690	2,687	-201	-344
CF from Operations	**7,405**	**10,752**	**13,173**	**12,838**	**17,491**	**17,578**	**20,890**
Others	-912	-3,427	285	451	0	0	0
CF from Operating incl EO	**6,492**	**7,326**	**13,458**	**13,288**	**17,491**	**17,578**	**20,890**
(Inc)/Dec in FA	-1,358	-1,660	-1,831	-2,137	-1,974	-3,051	-3,677
Free Cash Flow	**5,134**	**5,666**	**11,627**	**11,151**	**15,518**	**14,527**	**17,213**
(Pur)/Sale of Investments	0	19,741	-16	0	0	0	0
Others	950	180	2,827	3,463	0	0	0
CF from Investments	**-409**	**18,262**	**981**	**1,326**	**-1,974**	**-3,051**	**-3,677**
Issue of Shares	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-124	0	0	0	0	0	0
Interest Paid	-85	-300	-364	-439	3,523	3,901	4,235
Dividend Paid	-1,060	-1,102	-2,331	-7,265	-9,967	-11,960	-14,352
CF from Fin. Activity	**-1,268**	**-1,402**	**-2,695**	**-7,704**	**-6,444**	**-8,059**	**-10,117**
Inc/Dec of Cash	**4,815**	**24,186**	**11,744**	**6,910**	**9,074**	**6,468**	**7,096**
Opening Balance	22,066	26,877	31,491	8,769	9,356	18,430	24,898
Other Bank Balances	-4	-19,573	-34,466	-6,323			
Closing Balance	**26,877**	**31,491**	**8,769**	**9,356**	**18,430**	**24,898**	**31,994**

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