

Bharat Electronics

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BHE IN
Equity Shares (m)	7310
M.Cap.(INRb)/(USDb)	3114.7 / 35.1
52-Week Range (INR)	436 / 240
1, 6, 12 Rel. Per (%)	1/30/43
12M Avg Val (INR M)	7329

Financials Snapshot (INR b)			
Y/E March	2026E	2027E	2028E
Sales	276.7	325.5	386.4
Sales Gr. (%)	17.0	17.6	18.7
EBITDA	78.9	92.8	108.2
EBITDA Margin	28.5	28.5	28.0
Adj. PAT	60.8	72.1	83.8
Adj. EPS (INR)	8.3	9.9	11.5
EPS Gr. (%)	15.0	18.6	16.2
BV/Sh.(INR)	34.3	43.0	53.0
Ratios			
RoE (%)	24.2	23.0	21.6
RoCE (%)	27.2	25.6	23.9
Payout (%)	12.4	12.4	12.4
Valuations			
P/E (x)	51.2	43.2	37.2
P/BV (x)	12.4	9.9	8.0
EV/EBITDA (x)	37.3	31.1	26.1
Div. Yield (%)	0.2	0.3	0.3

Shareholding pattern (%)			
As On	Sep-25	Jun-25	Sep-24
Promoter	51.1	51.1	51.1
DII	20.9	20.6	20.2
FII	18.2	18.6	17.3
Others	9.8	9.7	11.4

FII Includes depository receipts

CMP: INR426 **TP: INR500 (+17%)** **Buy**

Strong beat versus estimates

Bharat Electronics' (BHE) 2QFY26 revenue/EBITDA/PAT exceeded our estimates, driven by strong execution and better-than-expected margins. Concerns over BHE's plateauing order book seem unwarranted as despite order book growing at a CAGR of 9% during FY23-1HFY26, the company has consistently grown its revenue by 14-17% over the same period, supported by strong inflows, except in FY25. The future order pipeline also remains strong, driven by orders from the AoNs approved across Army, Navy and Air Force over the last two years. This will be further supported by large-sized order prospects from QRSAM, project Kusha and next-generation corvettes and export opportunities in future. We also expect margin performance to remain strong, led by project mix and indigenization. We, thus, maintain our positive stance on BHE and retain **BUY** with a marginally revised TP of INR500, based on 45x Dec'27E EPS (Rs490 earlier).

Beat across all parameters

BHE reported a strong set of results with a beat across revenue, EBITDA and PAT. Revenue grew 26% YoY to INR57.6b, beating our estimate of INR52.6b by 10%. Order book stood strong at INR746b, with an inflow of ~INR54b (+116% YoY) during the quarter. Gross margin was slightly below our estimate at 50.9% in 2QFY26. Margin performance is dependent on the project mix during the quarter. However, lower-than-expected operating expenses led to 18% beat in absolute EBITDA at INR17b (+22% YoY), while margins stood at 29.4% vs. our estimate of 27.4%. Strong topline and margin performance resulted in 16%/15% beat to our PBT/PAT estimates. PAT stood at INR12.9b, up 18% YoY vs. our estimate of INR11.2b. For 1HFY26, revenue/EBITDA/PAT grew 16%/26%/21%, while margins expanded 230bp YoY to 28.8%. Operating cash outflow stood at INR8.9b in 1HFY26 vs. an outflow of INR22.9b in 1HFY25. FCF outflow stood at INR13.4b as of 1HFY26.

Near- to long-term prospect pipeline remains strong

BHE's long-term order pipeline remains strong and well diversified across major defense platforms, ensuring growth visibility beyond FY26. Over the medium term, it sees opportunities exceeding INR500b from recent AoN approvals totaling INR1.7t, including about INR100b from the latest tranche of AoN approvals. The company has already received 11 emergency procurement orders worth around INR13-15b, with another INR20b in advanced approval stages. It also expects next-generation corvette subsystems (INR45b this year and INR80-100b next year) and INR25b avionics orders for the LCA Mk1A. Other programs such as GBMES, mountain radars, Shatrughat, Samaghat, AMCA, and Archer UAV further strengthen BHE's long-cycle growth outlook. BHE also expects QRSAM worth INR300b to be awarded by Mar'26, with prototype to take another 12-18 months and revenue recognition from FY28 onward with a five-to-six year execution timeline, and later Project Kusha, with production orders by Dec'29.

Transitioning from being an electronics supplier to a full system-level integrator

BHE has entered a strategic consortium with L&T to participate in the AMCA stealth fighter program led by ADA/DRDO. Unlike previous aircraft programs where BHE's role was limited to supplying avionics and electronic modules, the company aims to move up the value chain into system integration, aircraft integration, and testing roles. The scope includes development of prototypes, validation, and higher-level integration, reflecting a deliberate shift toward end-to-end platform capability. The initial phase involves realization of five prototypes over the next six to eight years, with limited capex requirements of INR1-2b for module testing and jigs. AMCA is a long-cycle program that strengthens BHE's positioning in high-value aircraft platforms while deepening its collaboration with ADA and DRDO.

Targeted investment for long-term capability expansion

BHE plans to invest about INR14b over the next three to four years in a new defence system integration complex (DSIC) in Andhra Pradesh, covering 920 acres. This facility will primarily support QRSAM system integration, testing, and validation while housing production for unmanned, missile, and radar systems. The investment has been endorsed by both state and central authorities, and BHE has retained flexibility to expand capacity further if programs like Kusha or AMCA advance to production. The company's steady capex discipline supports its long-term goal of maintaining advanced integration capabilities and readiness for next-generation defense projects.

Guidance maintained

The company continues to target over 15% revenue growth, driven by timely deliveries and new project inflows. EBITDA margins are expected to remain above 27%, aided by favorable product mix, cost optimization, and ongoing indigenization efforts. Order inflows are guided at around INR270b and nearly INR570b including QRSAM, while R&D investment is expected to exceed INR16b and capex over INR10b. Management also reaffirmed its long-term export strategy, aiming to increase exports from the current 3-4% of turnover to about 5% over the next two to three years, and eventually to 10% of total revenues. The company's healthy USD326m export order book and strong leads across friendly nations provide visibility toward achieving this target.

Fourth Pay Revision Committee (PRC)

BHE mentioned that the Eighth Pay Commission is not applicable to PSUs. Instead, BHE will come under the Fourth PRC, which will determine wage revisions for PSU employees, effective from 1st Jan'27. The committee has not yet been constituted, but management expects the framework to offer flexibility for each PSU to adapt based on its financial performance and profitability, with salaries expected to rise ~10-15% from current levels once the new structure is implemented. This financial impact is expected to begin in 4QFY27, though BHE believes strong revenue growth and operational efficiency will comfortably absorb the cost increase. We have already factored in this increase in employee cost in our estimates.

Valuation and view

BHE is currently trading at 51.2x/43.2x/37.2x on FY26E/FY27E/FY28E EPS. We marginally tweak our estimates to bake in slight margin improvement and lower other income. **We marginally revise our TP to INR500, based on 45x Dec'27E EPS, and maintain BUY rating on BHE.**

Key risks and concerns

A slowdown in order inflows from the defense and non-defense segments, intensified competition, further delays in the finalization of large tenders, a sharp rise in commodity prices, and delays in payments from the MoD can adversely impact our estimates on revenue, margins, and cash flows.

Y/E March	Standalone Quarterly Performance										(INR m)		
	FY25					FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	2QE	Var (%)			
Net Sales	41,988	45,834	57,561	91,197	44,168	57,637	67,801	107,132	236,580	276,738	52,580	10	
Change (%)	19.6	14.8	39.1	6.9	5.2	25.8	17.8	17.5	17.3	17.0	14.7		
EBITDA	9,367	13,885	16,533	27,890	12,399	16,953	19,120	30,432	67,676	78,904	14,408	18	
Change (%)	41.0	38.2	57.5	22.3	32.4	22.1	15.6	9.1	35.4	16.6	3.8		
As of % Sales	22.3	30.3	28.7	30.6	28.1	29.4	28.2	28.4	28.6	28.5	27.4		
Depreciation	997	1,032	1,029	1,298	1,129	1,185	1,242	1,413	4,356	4,968	1,212	-2	
Interest	12	13	13	58	14	17	13	52	96	96	13	25	
Other Income	2,015	1,668	2,051	1,942	1,636	1,591	2,076	2,385	7,676	7,688	1,803	-12	
PBT	10,373	14,509	17,542	28,476	12,892	17,343	19,940	31,352	70,900	81,528	14,987	16	
Tax	2,612	3,596	4,381	7,428	3,201	4,482	5,067	7,968	18,017	20,718	3,809		
Effective Tax Rate (%)	25.2	24.8	25.0	26.1	24.8	25.8	25.4	25.4	25.4	25.4	25.4		
Reported PAT	7,761	10,913	13,161	21,048	9,691	12,861	14,873	23,384	52,883	60,810	11,178	15	
Change (%)	46.2	34.3	47.3	18.0	24.9	17.9	13.0	11.1	31.5	15.0	2.4		
Adj PAT	7,761	10,913	13,161	21,048	9,691	12,861	14,873	23,384	52,883	60,810	11,178	15	
Change (%)	46.2	34.3	47.3	18.0	24.9	17.9	13.0	11.1	31.5	15.0	2.4		



Conference call highlights

- Key order inflows announced so far:** Key orders worth ~INR72b since the start of 2QFY26 include: 1) navigation systems, jammers, seekers, and antenna units worth INR5.6b; 2) Atulya air defense radar worth INR16.4b; 3) optronic systems, IFMIS software, and communication equipment worth INR5.5b; 4) data center and electronic systems worth INR6.4b; 5) IT infra, cyber security, and ESM systems worth INR7.1b; 6) EW and defense network upgrades, tank subsystems, and TR modules worth INR10.9b; 7) tank and communication systems, ship networks, train collision avoidance system for Kavach, and jammers worth INR5.9b; 8) sensor and fire control equipment for Cochin Shipyard worth INR6.3b; and 9) SDRs, tank subsystems, and missile components worth INR7.3b. We bake in order inflows of INR270b/INR584b/INR338b for FY26/27/28E.
- Order book mix:** BHE's total order book stands at about INR756b, distributed almost equally across the Army, Navy, and Air Force. The top seven projects including LRSAM, electronic fuzes, BMP-2 upgrade, and Akash Army systems, account for ~INR250b.
- 2HFY26 pipeline:** Order prospects for 2HFY26 are encouraging, with several contracts in advanced stages of finalization. These contracts include emergency procurement worth INR20b, a QRSAM order, next-generation Corvette subsystems, Shatrughat, Samaghat, mountain radar, jammers, and LCA avionics packages. Together, these projects are expected to drive the targeted inflow for the year.
- Key projects executed in 1HFY26:** During 1HFY26, BHE executed several large programs including LRSAM, Him Shakti, Battle Surveillance System, Akash Army, LCA Mk1A avionics, Lynx U2 Fire Control System, and Shakti EW systems. These seven programs together contributed roughly INR40b in revenue.
- Execution visibility:** Execution momentum is expected to remain strong in the second half as major programs continue at full pace. The company is focused on timely deliveries and expects to achieve 90-100% of planned commitments for FY26.
- Project Kusha progress:** BHE continues to work closely with DRDO on Project Kusha, where it is developing radar and control subsystems. Prototype development is expected to take another year, followed by system integration

and trials. The first production order is anticipated by Dec'29 and is expected to be larger in value than the QRSAM contract.

- **QRSAM timeline:** The QRSAM order is likely to be finalized by Mar'26, with an execution timeline of about five to six years. The program will involve parallel production for the Army and Air Force. The company has already aligned its stakeholders, including BDL and other subsystem partners, to ensure timely readiness for production once the contract is awarded.
- **LCA opportunities:** Management expects to receive orders worth about INR25b from HAL for avionics packages related to the additional 97 LCA Mk1A order. The company is well-positioned in this program as a key supplier of indigenous avionics and radar modules.
- **UAV development:** BHE is advancing the Archer UAV program with DRDO's ADE and has completed successful prototype trials. Archer is a smaller UAV, distinct from the MALE UAV program being developed by L&T and General Atomics. BHE also plans to participate in the upcoming Archer NG program, expanding its presence in the fast-evolving unmanned systems domain.
- **Capex expansion:** BHE plans to invest around INR14b over the next three to four years to establish a DSIC in Andhra Pradesh. The facility will handle system integration, testing, and validation for QRSAM, as well as other unmanned, radar, and missile programs.
- **Guidance:** Management has maintained its guidance of revenue growth of over 15%, an EBITDA margin above 27%, order inflows exceeding INR270b excluding QRSAM, capex of INR14b, and R&D investment above INR16b, with the defense-to-non-defense business ratio expected to remain around 90:10. Export revenue is targeted to reach 5% of total turnover within the next two to three years with long-term target set at 10%.

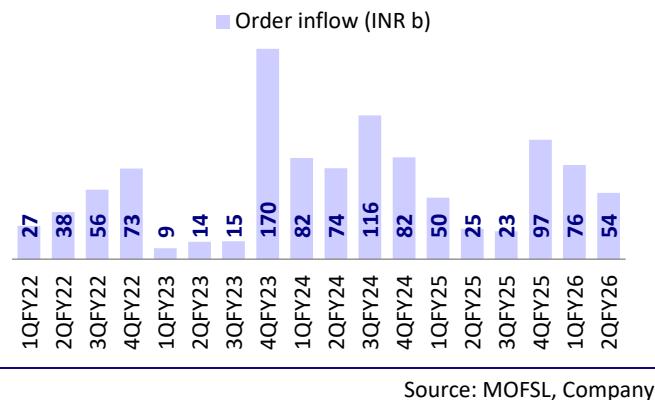
Key Exhibits

Exhibit 1: Order book remains strong



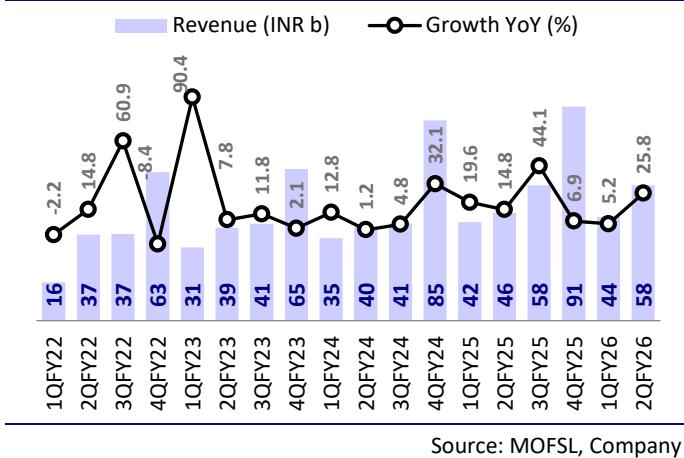
Source: MOFSL, Company

Exhibit 2: Order inflows increased 116% YoY



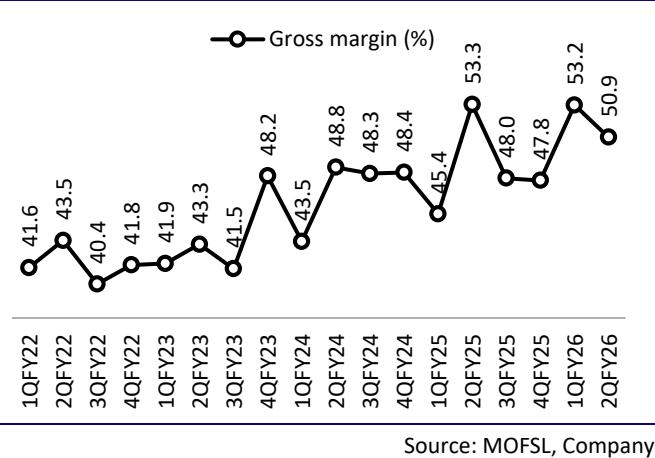
Source: MOFSL, Company

Exhibit 3: Revenue grew strongly by 26% YoY



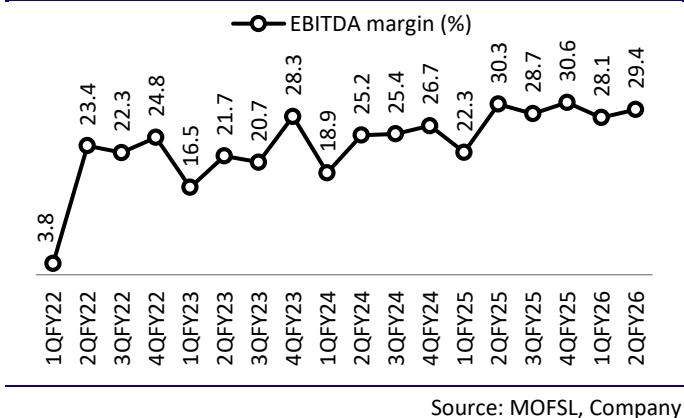
Source: MOFSL, Company

Exhibit 4: Gross margin contracted YoY on a high base



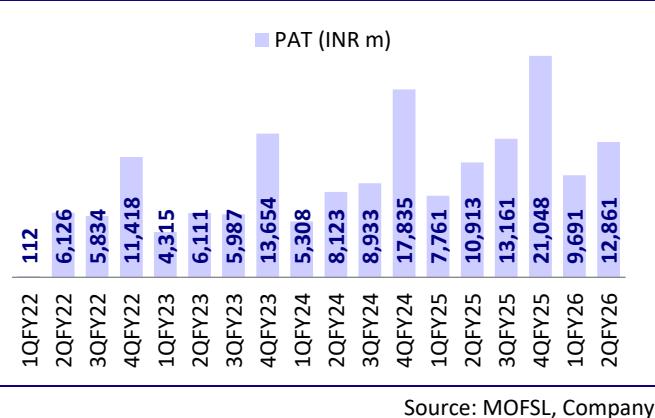
Source: MOFSL, Company

Exhibit 5: EBITDA margin contracted 80bp YoY



Source: MOFSL, Company

Exhibit 6: PAT performance remained strong at 18% YoY



Source: MOFSL, Company

Exhibit 7: BHE orders announced so far in FY26

Date	Order	Amount (INR b)	Accumulated Orders (INR b)	Customer
30-Oct-25	❖ Major orders received include Software Defined Radios (SDRs), tank sub systems, communication equipment, missile components, financial management software, cyber security solution, upgrades, spares, services, etc.	7.3	145.1	
22-Oct-25	❖ Supply of items required for various sensors, weapon equipment, fire control system and communication equipment	6.3	137.8	Cochin Shipyard
15-Oct-25	❖ Major orders received include tank subsystems and overhauling, communication equipment, combat management system, ship data network, train collision avoidance system (Kavach), laser dazzler, jammers, upgrades, spares, services, etc.	5.9	131.4	
19-Sep-25	❖ Major orders received include EW system upgrade, defense network upgrade, tank sub systems, TR modules, communication equipment, EVM, spares, services, etc.	10.9	125.5	
16-Sep-25	❖ Major orders received include IT Infra & Cyber Security Solution, ESM Systems, Block Chain Solution Platform, Communication Equipment, Spares, Services, etc.	7.1	114.6	
01-Sep-25	❖ Major orders received include Data Centre, Ship Fire Control System, Tank Navigation System, Communication Equipment, Seekers, Jammers, Simulators, Electronic Voting Machines, Upgrades, Spares, Services etc.	6.4	107.5	
30-Jul-25	❖ Major orders received include Optronic Systems for Aircraft, Integrated Financial Management Information System Software, Automated Access Control System, Integrated Communication and Control Terminal, Low Band Receiver Unit, Communication Equipment, Spares, Services, etc.	5.5	101.0	
25-Jul-25	❖ Order for Air Defense Fire Control Radars (Atulya)	16.4	95.5	Indian Army
24-Jul-25	❖ Major orders received include National Maritime Domain Awareness, Inertial Navigation System for guns, Communication equipment, Active Antenna Array unit, Satcom Interception System, Seekers, Target Acquisition System, Jammers, Spares, Services, etc.	5.6	79.1	
30-Jun-25	❖ Major orders received include Radars, communication equipment, EVMs, jammers, shelters, control center, spares, services etc.	5.3	73.5	
20-Jun-25	❖ Major orders received include fire control and sighting system for missiles, communication equipment, jammers, spares, services etc.	5.9	68.2	
05-Jun-25	❖ Supply of base and depot spares for the missile systems on Indian Naval ships.	23.2	62.4	MDL & GRSE
04-Jun-25	❖ Major orders received include communication equipment, advanced composite communication system for ship, jammers, software, simulator upgrades, spares, test rigs, services etc.	5.4	39.1	
16-May-25	❖ Major orders received include Integrated Drone Detection and Interdiction System (IDDIS), Software Defined Radio (SDR) and Data Communication Unit (DCU) for attack guns, AI based solutions for ships, simulators, communication equipment, jammers, spares, services, etc.	5.7	33.8	
07-Apr-25	❖ Supply of EW Suite for Mi 17 V5 Helicopters of Indian Air Force comprising of comprises Radar Warning Receiver (RWR), Missile Approach Warning System (MAWS) and Counter Measure Dispensing System (CMDS)	22.1	28.0	Indian Air Force
02-Apr-25	❖ Maintenance services for the Akash Missile System	5.9	5.9	Indian Air Force

Source: Company, MOFSL

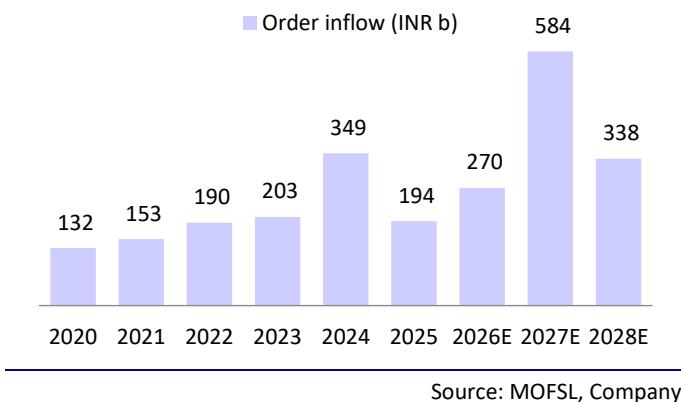
Exhibit 8: We tweak our estimates slightly to factor in higher margins and lower other income

(INR m)	FY26E			FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Order inflow	2,70,000	2,70,000	0.0	5,83,500	5,83,500	0.0	3,37,500	3,37,500	0.0
Net Sales	2,76,738	2,76,738	0.0	3,25,492	3,25,492	0.0	3,86,417	3,86,417	0.0
EBITDA	78,904	77,386	2.0	92,805	91,020	2.0	1,08,244	1,08,057	0.2
EBITDA (%)	28.5	28.0	50 bp	28.5	28.0	50 bp	28.0	28.0	0 bp
Adj. PAT	60,810	60,058	1.3	72,140	71,815	0.5	83,803	85,595	(2.1)
EPS (INR)	8.3	8.2	1.3	9.9	9.8	0.5	11.5	11.7	(2.1)

Source: MOFSL

Financial outlook

Exhibit 9: We bake in large-sized inflows to materialize during FY26/27



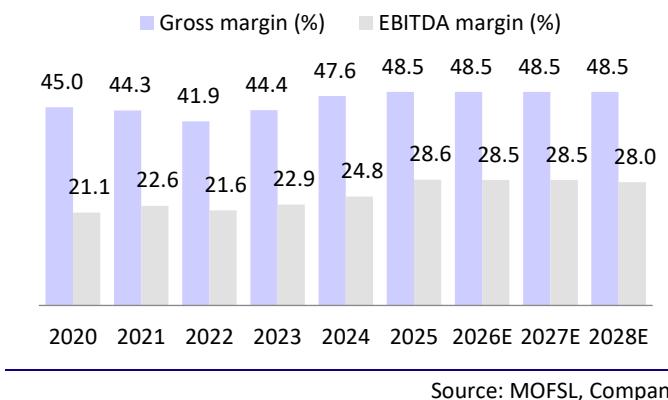
Source: MOFSL, Company

Exhibit 10: We expect revenue to clock a CAGR of 18% over FY25-28E



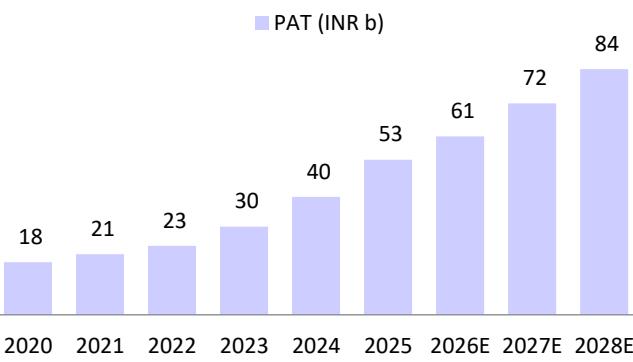
Source: MOFSL, Company

Exhibit 11: Gross/EBITDA margin to range around 49%/29%



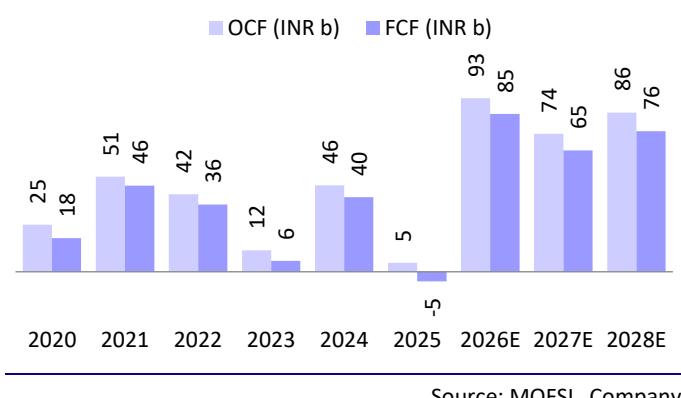
Source: MOFSL, Company

Exhibit 12: We expect a CAGR of 17% in PAT over FY25-28E



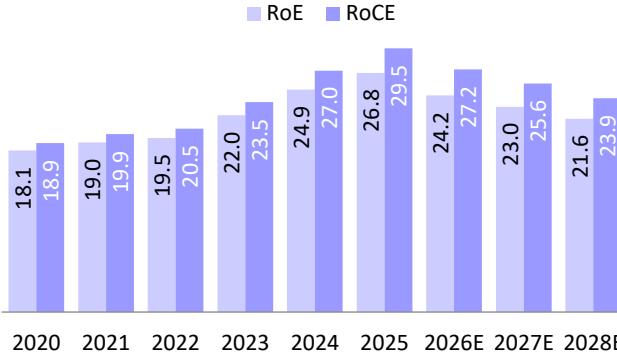
Source: MOFSL, Company

Exhibit 13: OCF & FCF to increase beyond FY25



Source: MOFSL, Company

Exhibit 14: RoE and RoCE to remain in the range of 22-27%



Source: MOFSL, Company

Financials and valuation

Income statement		(INR M)							
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net Sales	1,29,211	1,40,638	1,53,138	1,76,462	2,01,694	2,36,580	2,76,738	3,25,492	3,86,417
Change (%)	6.9	8.8	8.9	15.2	14.3	17.3	17.0	17.6	18.7
Raw Materials	71,052	78,278	89,025	98,088	1,05,659	1,21,810	1,42,486	1,67,588	1,98,958
Gross Profit	58,160	62,360	64,113	78,374	96,035	1,14,770	1,34,252	1,57,903	1,87,460
Staff Cost	20,575	19,407	21,094	22,977	24,667	27,344	33,762	39,710	47,143
Other expenses	10,283	11,142	9,926	14,921	21,386	19,751	21,586	25,388	32,073
EBITDA	27,301	31,811	33,092	40,475	49,982	67,676	78,904	92,805	1,08,244
% of Net Sales	21.1	22.6	21.6	22.9	24.8	28.6	28.5	28.5	28.0
Depreciation	3,496	3,663	3,802	4,079	4,124	4,356	4,968	5,551	6,185
Interest	33	61	49	148	70	96	96	96	96
Other Income	1,019	1,261	2,336	3,600	7,558	7,676	7,688	9,561	10,391
PBT	24,792	29,348	31,578	39,849	53,346	70,900	81,528	96,718	1,12,355
Tax	6,853	8,694	8,089	9,782	13,146	18,017	20,718	24,579	28,552
Rate (%)	27.6	29.6	25.6	24.5	24.6	25.4	25.4	25.4	25.4
Adjusted PAT	17,938	20,654	23,489	30,067	40,200	52,883	60,810	72,140	83,803
Reported PAT	17,938	20,654	23,489	30,067	40,200	52,883	60,810	72,140	83,803
Change (%)	-6.9	15.1	13.7	28.0	33.7	31.5	15.0	18.6	16.2

Balance sheet		(INR M)							
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share Capital	2,437	2,437	2,437	7,310	7,310	7,310	7,310	7,310	7,310
Reserves	96,824	1,06,331	1,18,055	1,29,146	1,54,116	1,90,237	2,43,481	3,06,646	3,80,024
Net Worth	99,261	1,08,768	1,20,492	1,36,455	1,61,426	1,97,546	2,50,791	3,13,956	3,87,333
Loans	-	-	-	-	-	-	-	-	-
Deferred Tax Liability	(4,974)	(4,634)	(6,207)	(5,034)	(5,742)	(5,341)	(5,341)	(5,341)	(5,341)
Capital Employed	94,287	1,04,134	1,14,285	1,31,422	1,55,684	1,92,205	2,45,450	3,08,615	3,81,992
Gross Fixed Assets	42,815	45,103	50,090	55,847	60,414	70,287	78,787	87,787	97,787
Less: Depreciation	12,784	16,448	20,250	24,328	28,453	32,808	37,776	43,328	49,512
Net Fixed Assets	30,030	28,655	29,840	31,518	31,962	37,479	41,011	44,459	48,275
Capital WIP	1,994	3,507	3,986	3,616	4,538	4,688	4,688	4,688	4,688
Investments	12,233	13,313	15,543	6,645	7,678	8,204	8,204	8,204	8,204
Curr. Assets	1,89,879	2,40,423	2,78,924	3,03,732	3,41,637	3,48,469	4,66,250	5,74,362	7,04,401
Inventory	39,628	49,547	55,669	64,121	74,076	90,697	1,06,092	1,24,782	1,48,139
Debtors	40,055	65,515	61,034	70,220	73,622	90,920	1,06,352	1,25,089	1,48,503
Cash & Bank Balance	15,562	50,082	74,991	80,090	1,09,681	93,973	1,71,126	2,27,245	2,92,310
Loans & Advances	400	527	88	83	84	81	17	20	24
Other Current Assets	94,235	74,752	87,142	89,219	84,174	72,799	82,663	97,226	1,15,425
Current Liab. & Prov.	1,39,850	1,81,764	2,14,008	2,14,089	2,30,131	2,06,635	2,74,703	3,23,099	3,83,576
Liabilities	1,25,091	1,64,265	1,91,851	1,99,468	2,13,630	1,90,387	2,55,697	3,00,744	3,57,037
Provisions	14,759	17,499	22,157	14,621	16,500	16,248	19,006	22,355	26,539
Net Current Assets	50,029	58,659	64,916	89,643	1,11,506	1,41,834	1,91,547	2,51,264	3,20,825
Application of Funds	94,287	1,04,134	1,14,285	1,31,422	1,55,684	1,92,205	2,45,450	3,08,615	3,81,992

Financials and valuation

Ratios

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Adjusted EPS	7.4	8.5	9.6	4.1	5.5	7.2	8.3	9.9	11.5
Growth (%)	-6.9	15.1	13.7	-57.3	33.7	31.5	15.0	18.6	16.2
Cash EPS	8.8	10.0	11.2	4.7	6.1	7.8	9.0	10.6	12.3
Book Value	40.7	44.6	49.5	18.7	22.1	27.0	34.3	43.0	53.0
DPS	3.1	3.4	4.2	1.7	0.8	0.9	1.0	1.2	1.4
Payout (incl. Div. Tax.)	42	40	44	41	15	12	12	12	12
Valuation (x)									
P/E (standalone)	57.9	50.3	44.2	103.6	77.5	58.9	51.2	43.2	37.2
Cash P/E	48.4	42.7	38.0	91.2	70.3	54.4	47.4	40.1	34.6
EV/EBITDA	37.5	31.1	29.1	75.0	60.1	44.6	37.3	31.1	26.1
EV/Sales	8.1	7.2	6.4	17.5	14.9	12.8	10.6	8.9	7.3
Price/Book Value	10.5	9.5	8.6	22.8	19.3	15.8	12.4	9.9	8.0
Dividend Yield (%)	0.7	0.8	1.0	0.4	0.2	0.2	0.2	0.3	0.3
Profitability Ratios (%)									
RoE	18.1	19.0	19.5	22.0	24.9	26.8	24.2	23.0	21.6
RoCE	18.9	19.9	20.5	23.5	27.0	29.5	27.2	25.6	23.9
RoIC	26.7	38.9	76.5	90.3	92.3	79.3	75.1	100.2	104.8
Turnover Ratios									
Debtors (Days)	113	170	145	145	133	140	140	140	140
Inventory (Days)	112	129	133	133	134	140	140	140	140
Fixed Asset Turnover (x)	2.9	3.1	3.0	3.1	3.3	3.4	3.5	3.7	4.0

(INR M)									
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
PBT before Extraordinary Items	24,792	29,348	31,578	39,849	53,346	70,900	81,528	96,718	1,12,355
Add : Depreciation	3,496	3,663	3,802	4,079	4,124	4,356	4,968	5,551	6,185
Interest and others	(292)	750	(1,241)	(2,046)	5,516	(6,437)	96	96	96
Less : Direct Taxes Paid	5,684	5,323	8,024	9,150	14,130	16,674	20,718	24,579	28,552
(Inc)/Dec in WC	3,013	22,597	15,498	(21,179)	(2,376)	(47,341)	27,440	(3,598)	(4,496)
CF from Operations	25,325	51,035	41,612	11,552	46,480	4,804	93,313	74,190	85,587
CF from Operations after EOI	25,325	51,035	41,612	11,552	46,480	4,804	93,313	74,190	85,587
(Inc)/Dec in FA	(7,264)	(4,664)	(5,461)	(5,621)	(6,423)	(10,010)	(8,500)	(9,000)	(10,000)
Free Cash Flow	18,062	46,371	36,151	5,931	40,057	(5,206)	84,813	65,190	75,587
(Pur)/Sale of Investments	(731)	(1,094)	(43,145)	33,442	(52,465)	17,494	-	-	-
CF from Investments	(7,995)	(5,758)	(48,606)	27,820	(58,888)	7,484	(8,500)	(9,000)	(10,000)
(Inc)/Dec in Networth	(250)	(83)	-	-	-	-	(0)	-	(0)
(Inc)/Dec in Debt	(13)	(16)	-	-	-	-	-	-	-
Less : Interest Paid	552	431	539	697	128	156	96	96	96
Dividend Paid	9,793	10,227	10,233	12,424	14,615	16,806	7,565	8,975	10,425
CF from Fin. Activity	(10,608)	(10,757)	(10,772)	(13,121)	(14,743)	(16,961)	(7,661)	(9,071)	(10,522)
Inc/Dec of Cash	6,722	34,519	(17,766)	26,251	(27,152)	(4,673)	77,152	56,119	65,066
Add: Beginning Balance	8,840	15,562	50,082	74,991	80,090	98,646	93,973	1,71,126	2,27,245
Other adjustments	-	-	42,675	(21,153)	56,743	(11,035)	-	-	-
Closing Balance	15,562	50,082	74,991	80,090	1,09,681	93,973	1,71,125	2,27,245	2,92,310

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NOTES

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NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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