motilal oswal
Financial Services

6 May 2026
4QFY26 Result Update | Sector: Capital Goods

CG Power and Industrial Solutions

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	CGPOWER IN
Equity Shares (m)	1575
M.Cap.(INRb)/(USDb)	1305.5 / 13.8
52-Week Range (INR)	847 / 526
1, 6, 12 Rel. Per (%)	15/18/39
12M Avg Val (INR M)	2337

Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Sales	124.2	155.9	195.3
EBITDA	16.3	21.7	29.6
PAT	12.4	16.1	21.5
EPS (INR)	7.9	10.2	13.7
GR. (%)	23.5	29.7	34.0
BV/Sh (INR)	50.6	59.1	70.6
Ratios			
ROE (%)	21.0	18.6	21.1
RoCE (%)	20.9	18.6	21.1
Payout (%)	16.5	16.6	16.1
Valuations			
P/E (X)	105.4	81.3	60.7
P/BV (X)	16.4	14.0	11.8
EV/EBITDA (X)	79.8	60.0	43.7
Div Yield (%)	0.2	0.2	0.3

Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	56.4	56.4	58.1
DII	18.1	17.6	13.6
FII	12.0	12.0	13.0
Others	13.5	14.1	15.4

FII includes depository receipts

CMP: INR829 TP: INR940 (+13%) Buy

Capacity commissioning to aid growth

CG Power's FY26 result came in line with respect to revenue and EBITDA, while the outperformance on earnings was led by higher other income and a lower-than-expected tax rate. Order inflows for the year remained strong at INR196b (up 34% YoY), primarily led by strong inflows in the power systems division. The division's performance remained strong, driven by a healthy demand environment, pricing power, and efficient execution. The company's capacity will increase to 1,10,000 MVA after the current ongoing capex. The industrial system performance was relatively weaker on inflows and revenue, while price hikes of nearly 17.5% taken during the entire year helped in passing through the RM cost inflation. We expect losses from the OSAT division to begin narrowing down from FY28 as the second phase of capacity expansion would be completed by the end of CY26. We expect strong pricing power in the power systems segment, the ability to pass through RM cost pressures in industrial systems, and the narrowing of losses from the OSAT division to result in margin improvement from FY28. We tweak our estimates by 6%/5% for FY27/28 to bake in better margins in power systems and other BS details. We roll forward our SoTP-based TP to Jun'28 and reiterate our BUY rating with a TP of INR940.

In-line revenue and EBITDA, while PAT beat our estimate

Consolidated revenue grew 25% YoY to INR34b in 4QFY26, driven by strong performance in the power systems division (+50% YoY), while industrial systems grew 2% YoY. Gross margin expanded 230bp YoY to 32.1%, while EBITDA increased 36% YoY to INR5b with margin expanding 110bp YoY to 13.7%. While revenue and EBITDA were broadly in line, PAT beat our estimate due to higher other income and a lower tax rate. PAT was up 34% YoY to INR4b with PAT margin at 11%. Order inflow during the quarter stood at INR53b (+39% YoY), taking the total order book to INR171b (+61% YoY). For FY26, revenue/EBITDA/PAT grew 25%/25%/27% YoY to INR124b/INR16b/INR12b, and EBITDA margin remained broadly flat YoY at 13.1%. Meanwhile, OCF dipped 23% YoY to INR7b due to higher working capital requirements, while FCF turned negative at INR724m (vs. INR4.9b in FY25) due to higher capex during FY26.

Power systems segment growth to remain strong

The power systems segment delivered a strong FY26 performance with revenue growing 46% YoY to INR51b, while PBIT increased 68% YoY to INR11b, leading to a 290bp YoY margin expansion to 21.9%, driven by strong execution and operating leverage. Order inflow remained strong at INR112b (+69% YoY), taking the backlog to INR126b (+91% YoY), supported by strong demand across domestic utilities, exports, and data centers. To support future growth, the transformer capacity across the Gwalior and Bhopal plants has increased to ~65,000 MVA currently and is likely to rise to ~110,000 MVA by the end of CY26, with the commissioning of the new greenfield facility. The company has price variation clauses to pass on RM price hikes. We expect this division's revenue to clock a 36% CAGR over FY26-28 with an EBIT margin of 22% for FY27/28.

Teena Virmani - Research Analyst (Teena.Virmani@MotilalOswal.com)
Research Analyst: Vatsal Magajwala (Vatsal.Magajwala@MotilalOswal.com); **Prerit Jain** (Prerit.Jain@MotilalOswal.com);

Industrial systems: Margin pressure remains during the year

The industrial systems segment delivered a relatively muted FY26 performance, with revenue growing 6% YoY to INR67b. However, PBIT declined 16% YoY to INR6b, leading to a 230bp YoY contraction in PBIT margin to 9.3%. This was hurt by mix changes and competitive pricing in railways, along with higher material costs in motors. Order inflow declined ~8% YoY to INR64b, although management highlighted healthy traction in motors, railways, exports, and services. During the year, the company implemented cumulative price hikes of ~17.5% in motors to offset commodity inflation while maintaining market share, with further hikes dependent on commodity movements and pricing discipline. Commodity inflation remains a near-term risk; the impact is being mitigated through pricing actions, cost optimization, and productivity initiatives, and railway segment margins are expected to gradually improve through service growth and operational efficiencies. We expect the Industrial Systems segment to deliver a 6% revenue CAGR over FY26-28, with an EBIT margin at 9.5%/10% in FY27/FY28.

Steady progress in the semiconductor business

The semiconductor business continued to make steady progress in FY26, with CG Semi's G1 OSAT facility now operational with a peak capacity of ~0.5m units per day, while the G2 facility for 14.5m units per day would be completed by the end of CY26. On the design side, Axiro strengthened capabilities through the integration of the RF business acquired from Renesas, which contributed ~USD65m revenue during FY26, while management also indicated further investments in semiconductor design and AI capabilities. We expect the semiconductor business to achieve EBITDA breakeven from FY28 as operating leverage improves with scale-up.

Financial outlook

We marginally revise our estimates by 6%/5% for FY27/FY28 to bake in better margins in power systems and other BS details. We expect overall order inflows to register an 11% CAGR over FY26-28E, fueled by healthy demand for transformers and switchgear in the power systems segment across domestic and export markets. In the Industrial segment, inflows will be supported by expansion in motors and railways. We model a revenue CAGR of 25% over FY26-28E and an EBIT margin of 13.9%/15.1% for FY27/FY28, resulting in a PAT CAGR of 32% over the same period.

Valuation and view

The stock is currently trading at 81.3x/60.7x P/E on FY27E/FY28E EPS. We roll forward our SoTP-based TP to Jun'28 and reiterate our BUY rating with a TP of INR940. We ascribe a 58x multiple for the power systems business, which bakes in the upcoming large capacity in the power systems segment and also some discount to MNC players. We ascribe a 55x multiple to industrial systems, which is at 10% discount to ABB, and we ascribe value to the OSAT business via DCF to capture the benefits that will start accruing from FY28.

Key risks and concerns

Key risks would include: 1) a slowdown in T&D capex, 2) an increase in commodity prices, 3) weak motor demand, and 4) limited OSAT experience.

Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Net sales	22,275	24,127	25,157	27,528	28,781	29,228	31,754	34,418	99,087	1,24,180	34,167	1
YoY Change (%)	18.9	20.5	27.1	25.6	29.2	21.1	26.2	25.0	23.2	25.3	24.1	
EBITDA	3,271	2,947	3,310	3,468	3,812	3,767	3,973	4,700	13,047	16,253	4,654	1
YoY Change (%)	23.2	-4.5	27.0	22.2	16.5	27.8	20.0	35.5	15.7	24.6	34	
Margins (%)	14.7	12.2	13.2	12.6	13.2	12.9	12.5	13.7	13.2	13.1	13.6	
Depreciation	240	276	284	319	435	521	507	494	1,118	1,956	697	-29
Interest	6	24	14	28	22	27	35	38	71	122	26	45
Other Income	332	291	336	714	283	661	764	735	1,622	2,443	573	28
PBT before EO expense	3,357	2,938	3,349	3,836	3,638	3,881	4,195	4,904	13,480	16,618	4,504	9
Extra-Ord expense	0	0	0	0	0	0	356	-20	0	336	0	
PBT	3,357	2,938	3,349	3,836	3,638	3,881	3,840	4,924	13,480	16,282	4,504	
Tax	944	742	970	1,094	969	1,036	1,001	1,289	3,750	4,295	1,506	
Rate (%)	28.1	25.2	29.0	28.5	26.6	26.7	26.1	26.2	27.8	26.4	33.4	
MI & Profit/Loss of Asso. Cos.	1	-13	-27	23	-24	-23	-9	-20	-16	-76	-44	
Reported PAT	2,411	2,210	2,405	2,720	2,692	2,867	2,848	3,655	9,746	12,063	3,043	20
Adj PAT	2,411	2,210	2,405	2,720	2,692	2,867	3,204	3,635	9,746	12,399	3,043	19
YoY Change (%)	22.7	2.0	22.3	13.5	11.6	29.8	33.2	33.7	14.8	27.2	11.9	
Margins (%)	10.8	9.2	9.6	9.9	9.4	9.8	10.1	10.6	9.8	10.0	8.9	

	FY25				FY26				FY25	FY26	FY26E	Est
Segment revenue	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Power Systems	7,503	8,457	9,202	9,935	10,701	12,545	13,263	14,873	35,097	51,382	15,240	-2
YoY%	*46.6*	*36.5*	*42.4*	*21.0*	*42.6*	*48.3*	*44.1*	*49.7*	*35.1*	*46.4*	*53.4*	
Industrial Systems	14,725	15,614	15,910	17,510	16,915	15,333	17,308	17,913	63,758	67,470	17,798	1
YoY%	*8.4*	*13.2*	*19.9*	*28.4*	*14.9*	*-1.8*	*8.8*	*2.3*	*17.4*	*5.8*	*1.6*	
Semiconductor	0	0	0	0	1,085	1,279	1,108	1,556	0	5,028	1,028	51
YoY%												
Others	53	64	53	101	85	74	91	93	271	342	75	23
YoY%	*10.9*	*41.5*	*-9.2*	*48.9*	*59.8*	*16.6*	*69.5*	*-7.7*	*23.5*	*26.5*	*-25.1*	
Total	22,281	24,135	25,166	27,545	28,786	29,232	31,770	34,435	99,126	1,24,222	34,141	1
YoY%	*18.8*	*20.5*	*27.2*	*25.7*	*29.2*	*21.1*	*26.2*	*25.0*	*23.2*	*25.3*	*23.9*	
Less: Inter-Segment Revenue	6	8	9	17	6	4	16	17	39	43	-26	
Total income from operations	22,275	24,127	25,157	27,528	28,781	29,228	31,754	34,418	99,087	1,24,180	34,167	1
YoY%	*18.9*	*20.5*	*27.1*	*25.6*	*29.2*	*21.1*	*26.2*	*25.0*	*23.2*	*25.3*	*24.1*	

	FY25				FY26E				FY25	FY26	FY26E	Est
EBIT	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Power Systems	1,493	1,489	1,619	2,082	2,253	2,597	2,835	3,543	6,683	11,227	3,204	11
Margin %	*19.9*	*17.6*	*17.6*	*21.0*	*21.1*	*20.7*	*21.4*	*23.8*	*19.0*	*21.9*	*21.0*	
Industrial Systems	1,932	1,753	1,819	1,920	1,721	1,367	1,562	1,604	7,425	6,253	1,614	-1
Margin %	*13.1*	*11.2*	*11.4*	*11.0*	*10.2*	*8.9*	*9.0*	*9.0*	*11.6*	*9.3*	*9.1*	
Semiconductor	0	0	-10	-146	-87	-217	-400	-374	-156	-1,079	-421	-11
Margin %					*-8.0*	*-17.0*	*-36.1*	*-24.0*		*-21.5*	*-40.9*	
Others	5	-49	17	98	7	16	18	22	71	62	12	75
Margin %	*9.6*	*-77.0*	*32.4*	*97.2*	*7.8*	*21.1*	*19.8*	*23.5*	*26.2*	*18.1*	*16.5*	
Total	3,431	3,194	3,445	3,954	3,894	3,762	4,014	4,794	14,023	16,464	4,410	9
Finance costs	6	24	14	28	22	27	35	38	71	122	26	
Other un-allocable expenditure	68	232	83	22	234	-146	-216	-148	405	-276	-120	
Add Exceptional items (net)	0	0	0	0	0	0	-356	0	0	-356	0	
PBT	3,357	2,938	3,349	3,904	3,638	3,881	3,840	4,904	13,548	16,262	4,504	

CONFERENCE CALL

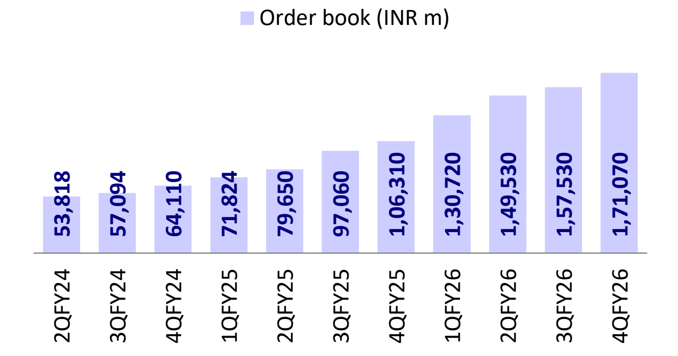
Key highlights from the management commentary

- **Consolidated order inflow:** The consolidated order intake for 4QFY26 was INR53b (+39% YoY). For FY26, consolidated order intake was INR196b (+33% YoY), and unexecuted backlog at 31st Mar'26 was INR171b +(61% YoY). Management also highlighted the INR6.4b 765 kV transformer package order from PGCIL, the INR2.4b EHV order from Techno, and the INR9b power transformer order for a US data center received during the year.
- **Margins:** 4Q consolidated PAT margin stood at 10.5%, while FY26 consolidated PAT margin came in at 9.9%. On a standalone basis, margins expanded by 260bp in 4Q and 143bp in FY26. In the Power Systems segment, margin improvement was driven by efficient order execution and strong operating discipline. In Industrial Systems, margin performance was impacted by product mix changes, competitive pricing in the railways segment, and higher material substitution rates (MSR) in motors due to commodity cost pressures. The company also highlighted that ongoing semiconductor investments continued to weigh on consolidated margins.
- **Power systems outlook and capacity expansion:** Management remains optimistic on the demand environment for power systems and stated that transformer capacity has been expanded through brownfield initiatives at Gwalior and Bhopal, with Gwalior capacity increasing from 6,000 MVA to 10,000 MVA and Bhopal reaching 40,000 MVA. Further improvements through lean plant initiatives increased total capacity to 65,000 MVA by the end of last year. In addition, a new greenfield plant is under execution and is expected to be commissioned between July and August. The plant will initially add 25,000-30,000 MVA of capacity, with peak capacity expected to reach 45,000 MVA by the end of the calendar year. As a result, total transformer capacity across Gwalior and Bhopal is expected to reach ~110,000 MVA by the end of FY27.
- **Industrial business outlook**: The motors business showed robust double-digit growth in 4Q, and the improvement was a combination of price increases and volume growth, roughly 50% each. The volume growth was broadly in line with market growth, and they did not allow pricing leakage. The company also mentioned that the business continues to focus on pricing discipline, cost and productivity programs, and mix. CG remains a market leader, and its market share has been maintained despite the steep price hikes. The market share of IE3 and above motors stands at ~38-39% for LT motors and ~19-20% for large industrial motors.
- **Railways business outlook**: The railways business offers significant growth potential, supported by new product development, exports, and service opportunities. Management highlighted that the services segment is expected to be a key driver for margin improvement, while new products should enhance competitiveness. Although Indian Railways continues to be a relatively low-margin business, the company believes operational efficiencies can gradually improve profitability. Management also indicated that efforts are underway to improve the business from single-digit margins toward double-digit margins over time.

- **GIS outlook**: Management indicated that the overall GIS market is around INR120b, of which ~25-30% comprises GIS and the balance is AIS. The 400kV GIS project remains on track, with phase 1 already tested and phase 2 expected between 2Q and 3Q. Commercialization of the 400kV GIS product is targeted in FY27 following completion of type testing at international laboratories. Management also highlighted that discussions around 765kV GIS are ongoing, with product development being planned for both domestic and export markets.
- **OSAT**: CG Semi launched one of India's first end-to-end OSAT facilities in Sanand, Gujarat. Management stated that the G1 facility is operational with a peak capacity of ~0.5m units per day, while the G2 facility is under construction and expected to be completed by the end of 2026. The project is also eligible for capital support under the India Semiconductor Mission. The approved project cost stands at INR76b, including Central Government assistance of INR35b and additional State Government support of ~INR14b.
- **Export outlook**: Management stated that exports currently contribute around 5% of consolidated sales. However, export and services order bookings have more than doubled compared to last year, highlighting strong momentum in these segments. The company views exports and services as key growth drivers going forward and indicated that it has significantly larger ambitions in these areas. Management also highlighted its focus on product development to address both domestic and international market opportunities.
- **Commodity inflation:** Management stated that commodity inflation in the motors business has largely been addressed through pricing actions, with most of the cost increase passed on to customers. In larger businesses such as transformers, price variation clauses in customer contracts help pass commodity cost changes through to customers. The company also highlighted its close monitoring of commodity trends and said pricing decisions are taken on a case-by-case basis. In the motors segment, management emphasized that disciplined pricing and avoiding excessive discounts remain key focus areas.

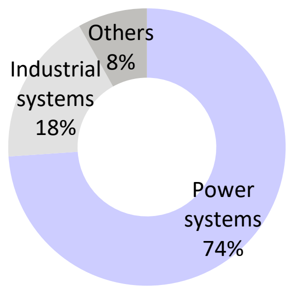
Key Exhibits

Exhibit 1: Order book increased 61% YoY (INR m)



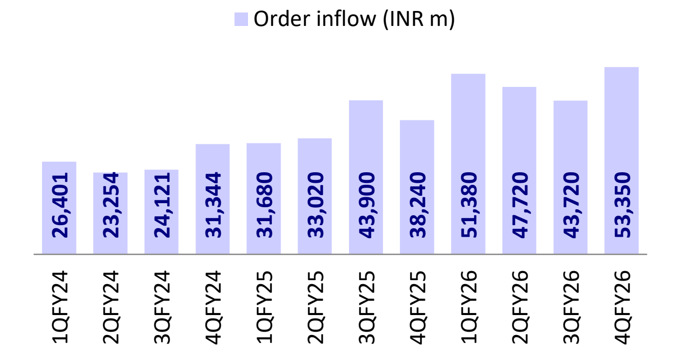
Source: Company, MOFSL

Exhibit 2: Segmental breakup of INR171b order book



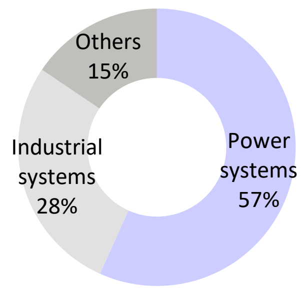
Source: Company, MOFSL

Exhibit 3: Order inflow increased 39% YoY (INR m)



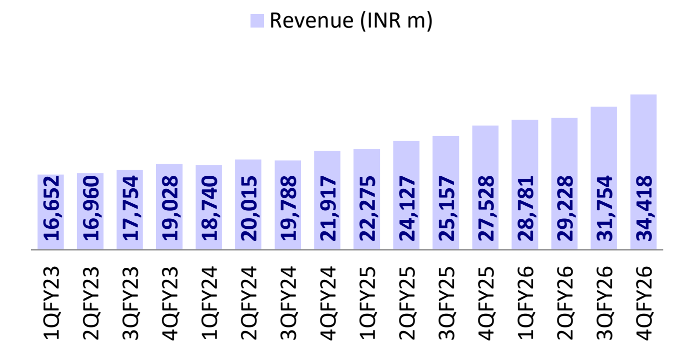
Source: Company, MOFSL

Exhibit 4: 4QFY26 order inflow stood at INR53b



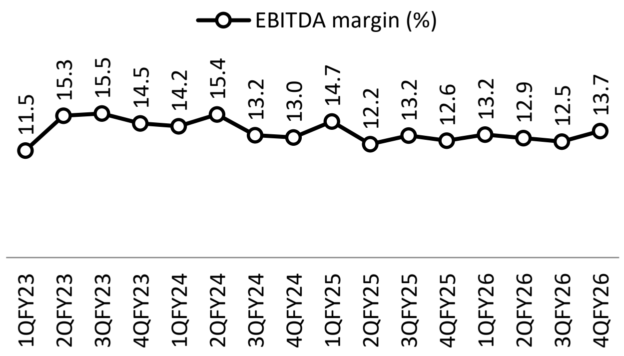
Source: Company, MOFSL

Exhibit 5: Revenue increased 25% YoY (INR m)



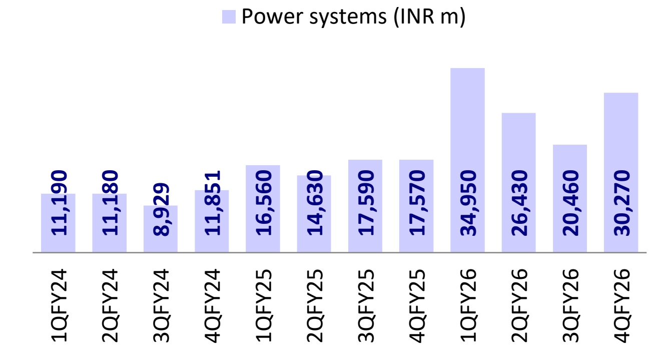
Source: Company, MOFSL

Exhibit 6: EBITDA margin expanded 110bp YoY



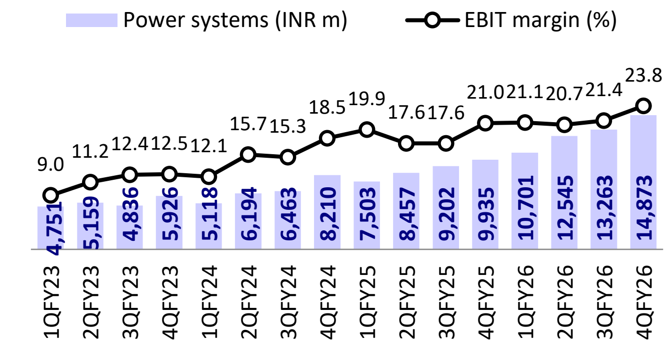
Source: Company, MOFSL

Exhibit 7: Power systems order inflow increased 72% YoY (INR m)



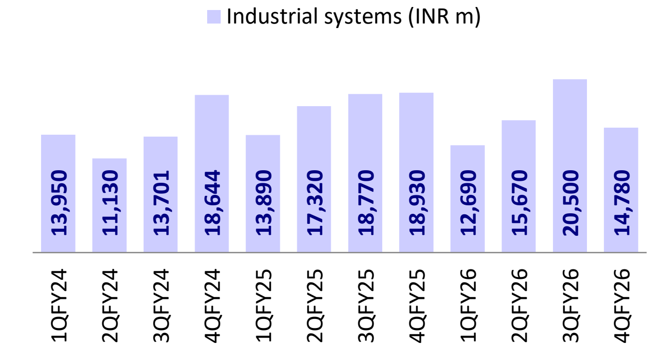
Source: Company, MOFSL

Exhibit 8: Power systems segment revenue growth was healthy, and margin expanded 270bp YoY



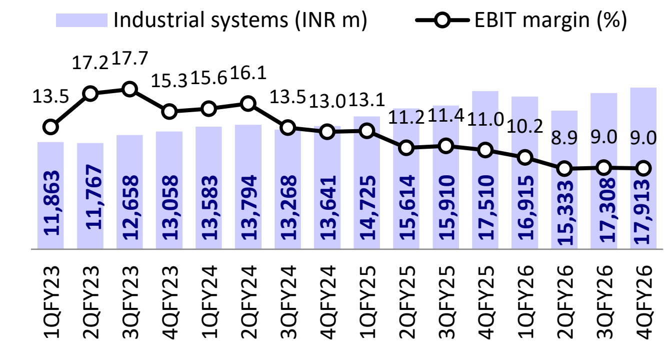
Source: Company, MOFSL

Exhibit 9: Industrial systems order inflow declined 22% YoY (INR m)



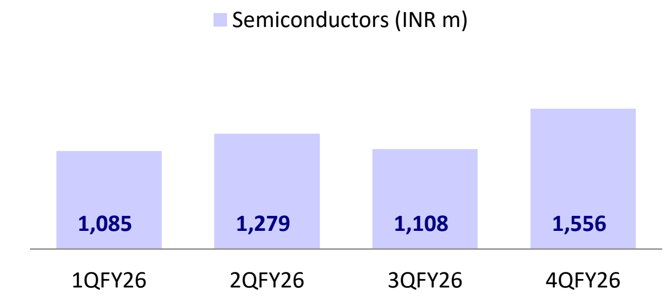
Source: Company, MOFSL

Exhibit 10: Industrial systems segment's revenue growth was weak, and the margin contracted 200bp YoY



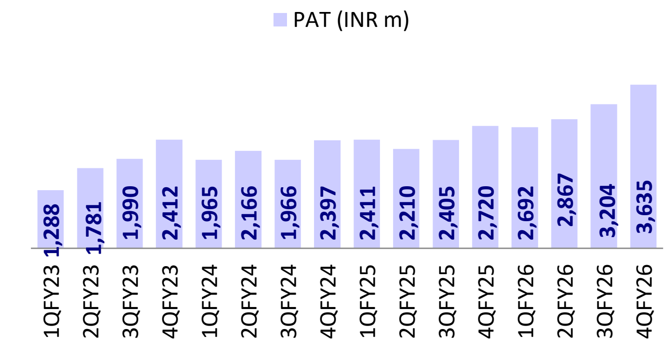
Source: Company, MOFSL

Exhibit 11: Semiconductor revenue trajectory (INR m)



Source: Company, MOFSL

Exhibit 12: Consolidated PAT grew 34% YoY (INR m)



Source: Company, MOFSL

Exhibit 13: We tweak our estimates by 6%/5% for FY27/FY28 to bake in better margins in power systems and other BS details

(INR M)	FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,55,866	1,56,966	(0.7)	1,95,308	1,99,233	(2.0)
EBITDA	21,685	21,727	(0.2)	29,580	30,171	(2.0)
EBITDA (%)	13.9	13.8	10 bp	15.1	15.1	0 bp
Adj. PAT	16,078	15,146	6.2	21,549	20,611	4.5
EPS (INR)	10.2	9.6	6.1	13.7	13.1	4.5

Source: Company, MOFSL

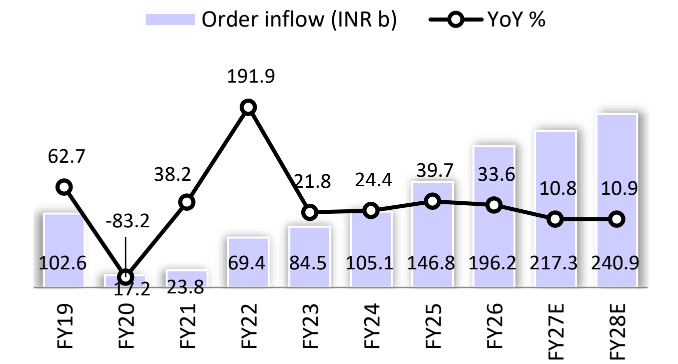
Exhibit 14: We arrive at a TP of INR940 based on SoTP valuation

Segment	PAT (INR m)	Valuation multiple (x)	Valuation (INR m)	Per share (Rs)	Rationale
Power systems	17,026	58	9,87,505	627	At slight discount to MNC players expanding transformer capacities
Industrial systems	7,076	55	3,89,176	247	At 10% discount to ABB which is into premium motors
CG Semi - OSAT			1,08,795	69	Based on DCF
Total			**14,85,476**	**943**	

Source: Company, MOFSL

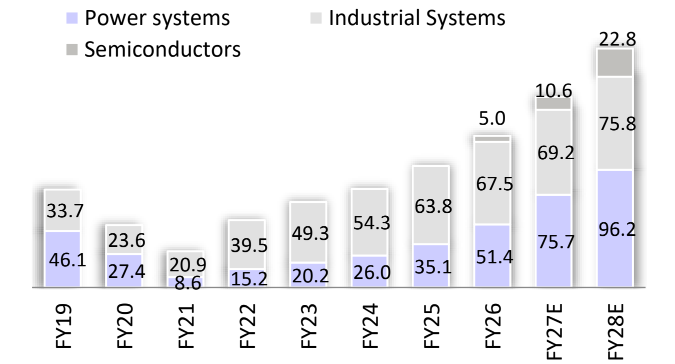
Financial outlook

Exhibit 15: We expect order inflow to clock a CAGR of 11% over FY25-28



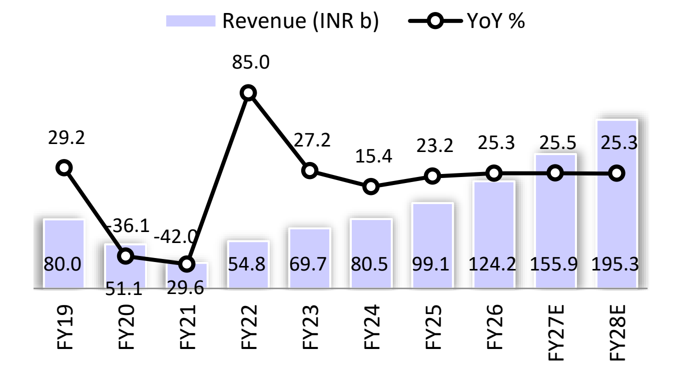
Source: Company, MOFSL

Exhibit 16: We expect revenue growth to be driven by power systems (INR b)



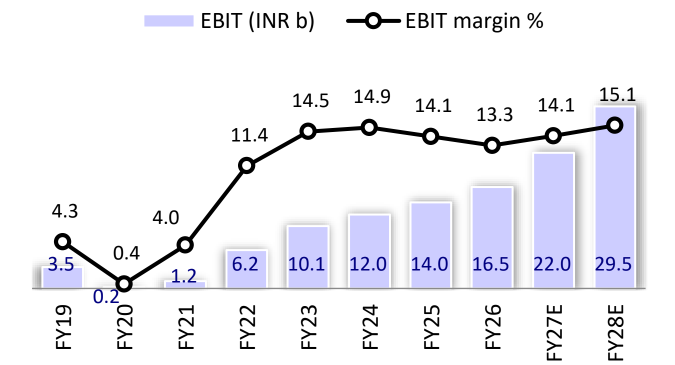
Source: Company, MOFSL

Exhibit 17: We expect revenue to clock a CAGR of 25% over FY25-28



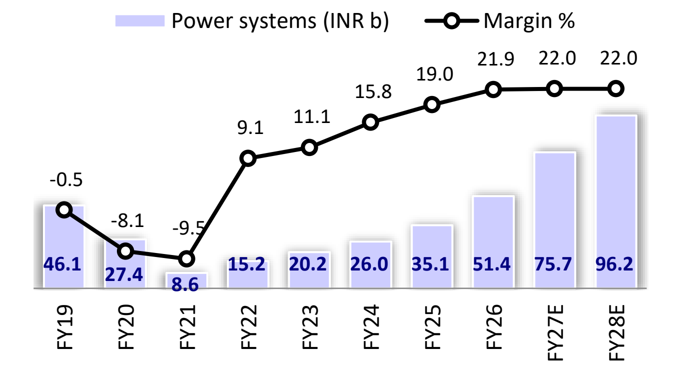
Source: Company, MOFSL

Exhibit 18: Gradual improvement in margin led by better revenue mix and operating efficiencies



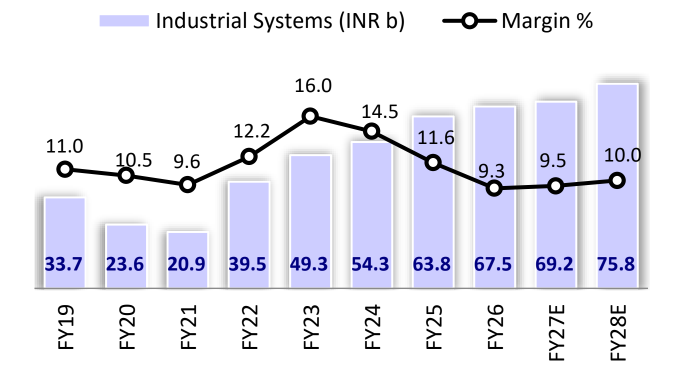
Source: Company, MOFSL

Exhibit 19: We expect a healthy margin in power systems led by strong demand and improved product mix



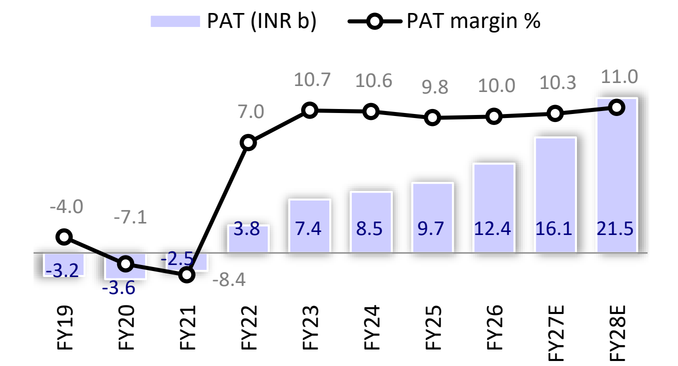
Source: Company, MOFSL

Exhibit 20: We expect the industrial segment margins to stabilize around 9.5-10% over FY27-28



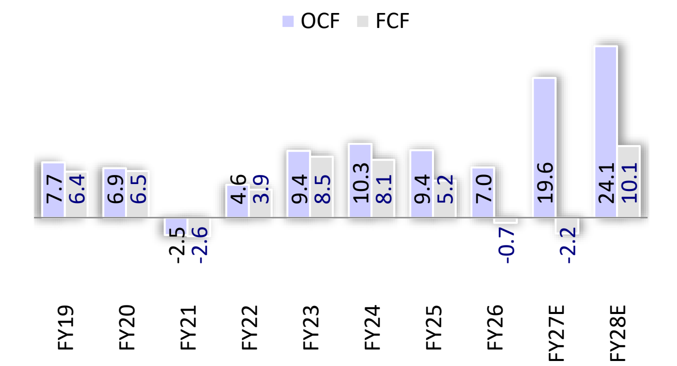
Source: Company, MOFSL

Exhibit 21: We expect PAT growth to be driven by higher revenue and margin improvement (INR b)



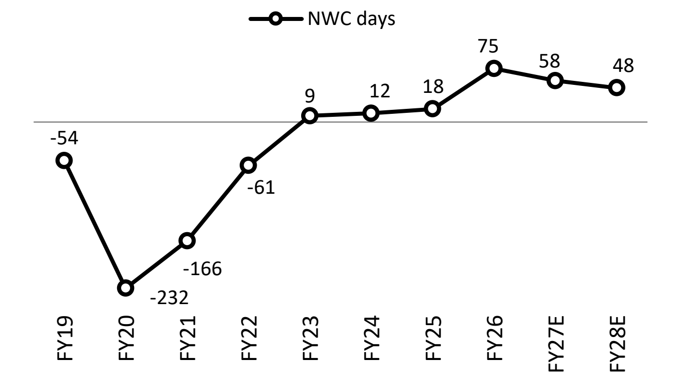
Source: Company, MOFSL

Exhibit 22: We expect OCF and FCF to start improving from FY28 (INR b)



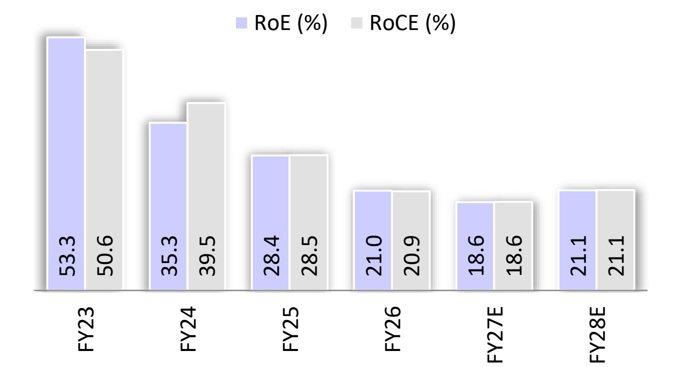
Source: Company, MOFSL

Exhibit 23: We expect NWC to be at comfortable levels



Source: Company, MOFSL

Exhibit 24: We expect RoE/RoCE to be around ~21% by FY28



Source: Company, MOFSL

Financials and valuation

Consolidated - Income Statement (INR m)

Y/E Mar	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Income from Operations	**29,640**	**54,835**	**69,725**	**80,460**	**99,087**	**1,24,180**	**1,55,866**	**1,95,308**
Change (%)	-42.0	85.0	27.2	15.4	23.2	25.3	25.5	25.3
Raw Materials	19,743	39,018	48,556	55,522	69,262	85,662	1,07,519	1,34,727
Gross Profit	**9,897**	**15,818**	**21,169**	**24,938**	**29,825**	**38,518**	**48,346**	**60,580**
Employee Cost	3,718	3,651	4,217	5,081	6,128	9,516	11,944	14,966
Other Expenses	5,104	5,834	7,019	8,576	10,650	12,749	14,718	16,034
Total Expenditure	**28,565**	**48,503**	**59,792**	**69,179**	**86,039**	**1,07,927**	**1,34,181**	**1,65,728**
% of Sales	96.4	88.5	85.8	86.0	86.8	86.9	86.1	84.9
EBITDA	**1,075**	**6,333**	**9,933**	**11,281**	**13,047**	**16,253**	**21,685**	**29,580**
Margin (%)	3.6	11.5	14.2	14.0	13.2	13.1	13.9	15.1
Depreciation	1,383	986	945	949	1,118	1,956	2,718	3,297
EBIT	**-308**	**5,347**	**8,988**	**10,332**	**11,929**	**14,297**	**18,966**	**26,283**
Int. and Finance Charges	1,971	682	162	25	71	122	152	190
Other Income	1,114	376	678	1,063	1,622	2,443	2,755	2,843
PBT bef. EO Exp.	**-1,165**	**5,041**	**9,504**	**11,369**	**13,480**	**16,618**	**21,570**	**28,936**
EO Items	-15,437	-5,312	-2,184	-5,780	0	336	0	0
PBT after EO Exp.	**14,272**	**10,353**	**11,688**	**17,149**	**13,480**	**16,282**	**21,570**	**28,936**
Total Tax	1,476	1,223	2,058	2,873	3,750	4,295	5,575	7,479
Tax Rate (%)	10.3	11.8	17.6	16.8	27.8	26.4	25.8	25.8
Profit share of associates/JV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	-156	5	3	6	-16	-76	-83	-92
Reported PAT	**12,952**	**9,125**	**9,627**	**14,270**	**9,746**	**12,063**	**16,078**	**21,549**
Adjusted PAT	**-2,485**	**3,813**	**7,443**	**8,490**	**9,746**	**12,399**	**16,078**	**21,549**
Change (%)	-31.8	-253.4	95.2	14.1	14.8	27.2	29.7	34.0
Margin (%)	-8.4	7.0	10.7	10.6	9.8	10.0	10.3	11.0

Consolidated - Balance Sheet (INR m)

Y/E Mar	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	2,676	2,884	3,054	3,055	3,058	3,150	3,150	3,150
Total Reserves	-3,519	7,146	14,851	27,120	35,382	76,555	89,972	1,08,060
Net Worth	**-843**	**10,030**	**17,905**	**30,174**	**38,440**	**79,705**	**93,121**	**1,11,210**
Minority Interest	0	10	9	13	1,937	2,278	2,194	2,102
Total Loans	14,645	3,522	0	0	3	3	3	3
Deferred Tax Liabilities	-7,333	-6,219	-4,335	-1,557	838	367	367	367
Capital Employed	**6,469**	**7,342**	**13,579**	**28,630**	**41,217**	**82,352**	**95,685**	**1,13,682**
Gross Block	21,076	20,468	19,056	20,586	24,848	31,257	53,117	67,117
Less: Accum. Deprn.	11,176	11,178	10,973	11,635	12,869	14,825	17,543	20,840
Net Fixed Assets	**9,900**	**9,291**	**8,084**	**8,951**	**11,980**	**16,433**	**35,574**	**46,278**
Goodwill on Consolidation	1,557	1,524	1,621	1,638	2,811	3,649	3,649	3,649
Capital WIP	201	352	383	938	3,857	7,249	7,249	7,249
Total Investments	**19**	**413**	**10**	**5,885**	**4,375**	**4,533**	**4,533**	**4,533**
Curr. Assets, Loans&Adv.	**22,059**	**24,343**	**30,027**	**36,551**	**50,371**	**94,557**	**99,601**	**1,20,398**
Inventory	4,283	5,124	5,412	7,507	11,367	15,839	19,881	24,911
Account Receivables	5,870	9,437	12,971	15,342	20,092	29,240	36,701	45,988
Cash and Bank Balance	5,336	4,880	7,140	8,544	12,591	10,276	6,076	13,282
Loans and Advances	0	0	0	0	0	0	0	0
Other Current Asset	6,570	4,902	4,505	5,158	6,320	39,203	36,944	36,216
Curr. Liability & Prov.	**30,057**	**28,571**	**21,231**	**25,421**	**32,266**	**44,070**	**54,921**	**68,425**
Account Payables	10,345	11,486	12,727	14,843	18,700	24,684	30,983	38,823
Other Current Liabilities	17,255	15,064	6,506	8,256	10,928	16,176	19,910	24,553
Provisions	2,457	2,020	1,999	2,323	2,638	3,210	4,029	5,048
Net Current Assets	**-7,999**	**-4,229**	**8,796**	**11,130**	**18,105**	**50,487**	**44,680**	**51,973**
Discontinued operations	-2,791	8	5,315	-89	-90	-1	0	0
Appl. of Funds	**6,469**	**7,342**	**13,579**	**28,630**	**41,217**	**82,352**	**95,685**	**1,13,682**

Financials and valuation

Ratios

Y/E Mar	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
EPS	**-1.9**	**2.6**	**4.9**	**5.6**	**6.4**	**7.9**	**10.2**	**13.7**
Cash EPS	-0.8	3.3	5.5	6.2	7.1	9.1	11.9	15.8
BV/Share	-0.6	7.0	11.7	19.8	25.1	50.6	59.1	70.6
DPS	0.0	0.0	1.5	1.3	1.3	1.3	1.7	2.2
Payout (%)	0.0	0.0	25.1	14.1	20.4	16.5	16.6	16.1
Valuation (x)								
P/E	-446.8	313.8	170.3	149.3	130.2	105.4	81.3	60.7
Cash P/E	-1,007.5	249.4	151.1	134.3	116.8	91.1	69.5	52.6
P/BV	-1,317.5	119.3	70.8	42.0	33.0	16.4	14.0	11.8
EV/Sales	37.8	21.8	18.1	15.6	12.7	10.4	8.3	6.6
EV/EBITDA	1,041.9	188.8	126.9	111.6	96.3	79.8	60.0	43.7
Dividend Yield (%)	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.3
FCF per share	-1.9	2.7	5.6	5.3	3.4	-0.5	-1.4	6.4
Return Ratios (%)								
RoE	264.4	83.0	53.3	35.3	28.4	21.0	18.6	21.1
RoCE	4.9	36.9	50.6	39.5	28.5	20.9	18.6	21.1
RoIC	-3.9	361.1	191.2	89.1	51.2	26.1	20.4	23.4
Working Capital Ratios								
Fixed Asset Turnover (x)	1.4	2.7	3.7	3.9	4.0	4.0	2.9	2.9
Asset Turnover (x)	4.6	7.5	5.1	2.8	2.4	1.5	1.6	1.7
Inventory (Days)	53	34	28	34	42	47	47	47
Debtor (Days)	72	63	68	70	74	86	86	86
Creditor (Days)	127	76	67	67	69	73	73	73
Leverage Ratio (x)								
Current Ratio	0.7	0.9	1.4	1.4	1.6	2.1	1.8	1.8
Interest Cover Ratio	-0.2	7.8	55.5	406.8	168.2	117.5	124.7	138.2
Net Debt/Equity	-11.0	-0.2	-0.4	-0.5	-0.4	-0.2	-0.1	-0.2

Consolidated - Cashflow Statement

(INR m)

Y/E Mar	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	14,272	7,519	10,021	11,584	13,480	16,262	21,570	28,936
Depreciation	1,383	986	945	949	1,118	1,956	2,718	3,297
Interest & Finance Charges	1,971	682	162	25	71	122	152	190
Direct Taxes Paid	-35	397	-115	-32	-1,964	-5,119	-5,575	-7,479
(Inc)/Dec in WC	-5,008	-2,365	-714	-1,171	-2,012	-4,975	765	-890
CF from Operations	**12,583**	**7,218**	**10,299**	**11,356**	**10,693**	**8,246**	**19,630**	**24,054**
Others	-15,033	-2,601	-935	-1,015	-1,249	-1,221	0	0
CF from Operating incl EO	**-2,450**	**4,617**	**9,364**	**10,341**	**9,444**	**7,025**	**19,630**	**24,054**
(Inc)/Dec in FA	-150	-696	-818	-2,228	-4,254	-7,748	-21,860	-14,000
Free Cash Flow	**-2,601**	**3,920**	**8,546**	**8,113**	**5,190**	**-724**	**-2,230**	**10,054**
(Pur)/Sale of Investments	3	-967	422	-5,635	-93	1,263	0	0
Others	-335	266	197	-5,905	-1,333	-29,565	844	803
CF from Investments	**-483**	**-1,397**	**-199**	**-13,768**	**-5,681**	**-36,051**	**-21,016**	**-13,197**
Issue of Shares	6,644	574	556	32	324	200	0	0
Inc/(Dec) in Debt	-534	-6,564	-3,157	0	-157	-1	0	0
Interest Paid	-354	-492	-95	-9	-32	-21	-152	-190
Dividend Paid	0	0	-2,291	-1,986	-1,988	-2,047	-2,662	-3,460
Others	143	-1,522	-1,104	-488	187	29,807	0	0
CF from Fin. Activity	**5,899**	**-8,004**	**-6,090**	**-2,451**	**-1,666**	**27,939**	**-2,814**	**-3,650**
Inc/Dec of Cash	**2,966**	**-4,785**	**3,075**	**-5,878**	**2,097**	**-1,087**	**-4,200**	**7,206**
Opening Balance	1,920	4,880	3,973	7,119	2,004	4,101	10,276	6,076
Other Bank Balances	447	908	21	6,546	8,496	7,269	0	0
Other adjustments	2	3,878	72	758	-6	-7		
Closing Balance	**5,335**	**4,880**	**7,140**	**8,545**	**12,591**	**10,276**	**6,076**	**13,282**

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.