12 November 2026
2QFY27 Result Update| Sector: Capital Goods

Hitachi Energy

Estimate changes	↑
TP change	↑
Rating change	↑

Motilal Oswal values your support in the EXTEL POLL 2026 for India Research, Sales, Corporate Access and Trading team.
We request your ballot.



Bloomberg	POWERIND IN
Equity Shares (m)	45
M.Cap.(INRb)/(USDb)	1272.3 / 13.5
52-Week Range (INR)	38800 / 16104
1, 6, 12 Rel. Per (%)	-22/-20/32
12M Avg Val (INR M)	4361

Financials Snapshot (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Net Sales	123.8	158.8	192.6
EBITDA	20.9	28.6	35.6
PAT	16.7	22.4	28.0
EPS (INR)	374.5	502.0	626.7
GR. (%)	59.7	34.1	24.8
BV/Sh (INR)	1,583.0	2,106.7	2,761.5
Ratios			
ROE (%)	24.9	25.1	23.9
RoCE (%)	25.4	25.5	24.2
Valuations			
P/E (X)	76.2	56.9	45.6
P/BV (X)	18.0	13.6	10.3
EV/EBITDA (X)	58.5	42.4	33.4
Div Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	71.3	71.3	71.3
DII	6.5	6.3	7.9
FII	12.0	12.4	9.7
Others	10.2	9.9	11.1

FII includes depository receipts

CMP: INR28,545 TP: INR35,800 (+25%) Upgrade to BUY

Strong execution in 2Q

Hitachi Energy's 2Q result was mixed, with a healthy beat on execution, which was offset by margin weakness. This led to an in-line PAT performance in 2Q. Order inflows (ex-HVDC) jumped 86% YoY to INR41b, taking the order book to INR333b, up 13% YoY. Going forward, we expect 1) revenue growth to remain strong as HVDC project execution is also ramping up, 2) strong base and export orders to offset weakness in new HVDC ordering, 3) operating leverage and a higher share of export and services to offset lower gross margin in HVDC projects. We revise our estimates by +3%/2%/-1% for FY27/FY28/FY29 to factor in improved execution but lower margin expectations. The stock has corrected 26% from its YTD high and offers a decent upside from current levels. We thus upgrade the stock to BUY from Neutral earlier with a revised TP of INR35,800 (vs. INR36,000), based on 60x Dec'28E.

Beat on revenue, while a miss on margin led to an in-line PAT

Revenue grew 64% YoY to INR30b, 12% above our estimate. Gross margin contracted 420bp YoY to 38.3% (vs. our est. of 40.6%). Absolute EBITDA came largely in line at INR4.6b (+55% YoY), due to a lower-than expected margin of 15.4% (vs. our estimate of 17.1%). Adj. PAT increased 49% YoY to INR3.7b (in line). Order inflow in 2Q increased 86% YoY to INR41.2b taking the order book to INR333b (+13% YoY). For 1HFY27, revenue/EBITDA/PAT increased 66%/91%/86% to INR55b/INR8.9b/INR7.3b, while margin expanded 210bp YoY to 16.1%. For 1HFY27, OCF declined 90% YoY to INR913m, mainly due to high working capital requirements, while the company reported a free cash outflow of INR2.8b in 1HFY27 (vs. an inflow of INR8b last year).

Base ordering surges, with diversified pipeline sustaining momentum

Base ordering (ex-HVDC) remained strong, growing 86% YoY in 2QFY27. Exports grew 41% YoY. Both base and export order growth are compensating for delays in new HVDC order inflows. The order mix has broadened from a utility-heavy base to transmission, industries, data centers and rail/metro, and EPC and OEM customers now account for a larger share of orders. Going ahead, the pipeline remains supported by 1) 4-5 HVDC projects expected over 12-24 months, including India's first 800 kV VSC link, 2) a lead in UHVAC as the only Indian player with type-tested 1,150 kV transformer technology, 3) strong base demand from traditional transmission sectors, 4) emerging opportunities in data centers and BESS, and 5) new transformer capacity coming up by 2028. We bake in inflows of INR207b/INR234b/INR258b for FY27/FY28/FY29E. The 1HFY27 inflow run rate stood at INR92b.

Teena Virmani - Research Analyst (Teena.Virmani@MotilalOswal.com)
Research Analyst - Prerit Jain (Prerit.Jain@MotilalOswal.com); **Nikunj Khetan** (Nikunj.Khetan@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Exports gain traction across geographies and data centers

Export orders grew 41% YoY in 2QFY27, with wins across Asia, Africa, the Middle East, Europe and the US, and the export share remained steady at ~25-30% of order intake. The company is increasingly leveraging its Indian manufacturing operations to cater to global demand, with its export portfolio spanning utility, industrial, and data center applications. Data center-related export orders are currently being secured across Southeast Asia and other Asia-Pacific markets, while the company is also seeing opportunities in the US and other geographies for its power-quality products. We expect exports to gain share in the order mix, supported by stronger global demand and increasing utilization of India's manufacturing base.

Services business monetizing the installed base

The services business, which commenced as a focused business segment in Apr'25, is being developed by leveraging the company's large installed equipment base in India. Service order inflows increased 77% YoY in 2QFY27, accounting for 7% of domestic orders (ex-HVDC). The company is investing in expanding its field workforce, productizing service offerings, and strengthening digital capabilities to improve customer engagement and capture a larger share of the aftermarket opportunity. For now, the company’s focus is on monetizing the large installed base in India; however, Hitachi Energy intends to expand its service presence across other geographies over time. Given the relatively higher-margin nature of services, we expect the increasing penetration of the services business to provide an incremental lever for margin improvement and improve the quality of revenue.

Improving mix to offset near-term cost pressures

Commodity and raw material prices are expected to remain elevated in the near term, which could keep material costs under pressure, while the execution of HVDC projects could also weigh on the gross margin profile. However, the increasing contribution of exports, which command a 300-400bp margin premium over domestic orders, and the higher-margin services business should support a favorable revenue mix. Further, the ongoing revenue scale-up is expected to drive operating leverage through improved fixed-cost absorption. We expect these factors to partly offset near-term cost pressures and the impact of HVDC execution, supporting gradual improvement in operating margins. We factor in an EBITDA margin of 16.9%/18.0%/18.5% over FY27/FY28/FY29.

Financial outlook and valuation

We revise our estimates by +3%/+2%/-1% for FY27/FY28/FY29 to factor in improved execution but lower margin expectations. We thus expect revenue/EBITDA/PAT CAGR of 33%/42%/39% over FY26-29E. The stock is currently trading at 76x/57x/46x P/E on FY27/ FY28/FY29 earnings. The stock has corrected 26% from its YTD high and offers a decent upside from current levels. **We thus upgrade the stock to BUY from Neutral earlier with a revised TP of INR35,800 (vs. INR36,000), based on 60x Dec’28E.**

Quarterly performance (Standalone) **(INR m)**

	FY26				FY27E				FY26	FY27E	FY27E	Est
Y/E March	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3QE**	**4QE**			**2QE**	**Var (%)**
Net Sales	**14,789**	**18,326**	**20,822**	**27,541**	**24,937**	**29,965**	**32,864**	**35,988**	**81,477**	**1,23,754**	**26,827**	**12**
Change (%)	11.4	17.9	28.5	46.2	68.6	63.5	57.8	30.7	27.6	51.9	46.4	
EBITDA	**1,643**	**2,990**	**3,453**	**4,478**	**4,235**	**4,624**	**5,258**	**6,800**	**12,564**	**20,917**	**4,585**	**1**
Change (%)	242.9	172.5	106.9	65.1	157.8	54.7	52.3	51.9	110.9	66.5	53.4	
As % of Sales	11.1	16.3	16.6	16.3	17.0	15.4	16.0	18.9	15.4	16.9	17.1	
Depreciation	250	258	266	269	285	302	351	467	1,043	1,404	343	(12)
Interest	40	29	25	34	33	26	33	36	128	128	32	(19)
Other Income	509	698	618	574	577	568	659	830	2,399	2,635	644	(12)
PBT	**1,862**	**3,401**	**3,780**	**4,749**	**4,495**	**4,865**	**5,533**	**7,128**	**13,792**	**22,020**	**4,855**	**0**
Tax	453	886	864	1,129	954	1,119	1,336	1,909	3,331	5,318	1,172	
Effective Tax Rate (%)	24.3	26.0	22.8	23.8	21.2	23.0	24.1	26.8	24.1	24.1	24.1	
Extra-ordinary Items	(94)	128	(302)	(315)	(600)	(561)	-	-	(583)	(1,160)	-	
Reported PAT	**1,316**	**2,644**	**2,614**	**3,305**	**2,942**	**3,185**	**4,197**	**5,219**	**9,878**	**15,542**	**3,682**	**(14)**
Change (%)	1,163.0	405.6	90.3	79.7	123.5	20.5	60.5	57.9	202.9	59.7	39.3	
Adj PAT	**1,410**	**2,516**	**2,917**	**3,620**	**3,541**	**3,746**	**4,197**	**5,219**	**10,462**	**16,702**	**3,682**	**2**
Change (%)	1,252.8	381.1	241.2	83.5	151.2	48.9	43.9	44.2	202.9	59.7	46.4	
As % of Sales	8.5	2.1	1.2	0.3	0.6	0.2	0.1	0.1	0.2	0.0	0.2	



Highlights from the management commentary

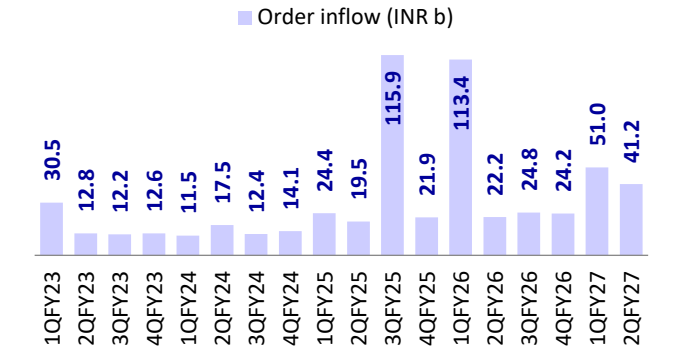
- **Order momentum:** Order inflows excluding HVDC grew 86% YoY/22% QoQ in 2QFY27, while 1HFY27 inflows increased 53% YoY, indicating healthy traction across the underlying businesses. The growth was broad-based across renewable transmission, infrastructure, industries and data centers, supported by orders from leading EPC players and utilities. The company believes that multiple structural demand drivers will support sustained growth in the base business. It also expects to begin securing orders for its new manufacturing facility as the relevant opportunities move forward.
- **Order composition:** Excluding HVDC, products accounted for 60% of the domestic order mix in 2QFY27, while projects contributed 34% and services accounted for 7%. The sectoral composition also became more balanced compared with the utility-heavy mix in the corresponding period last year, with increased contributions from industries, transport and infrastructure. EPC and OEM customers accounted for a higher share of domestic orders compared with the previous year. Within the industrial segment, traction was observed from precision manufacturing and semiconductor customers, where high reliability requirements create opportunities for the company's products and digital service offerings.
- **Services and exports:** The company is focusing on expanding its service business by leveraging its large installed equipment base in India, where the opportunity remains substantial. Its strategy includes increasing field presence, developing productized service offerings and strengthening digital solutions, including service-level agreements, GIS augmentation and predictive maintenance. Service order intake grew 77% YoY in 2QFY27, with traction across utilities, industries and EPC customers. Export order intake also increased 41% YoY, with orders spanning Asia, Africa, the Middle East, Europe and the US, and exports currently account for approximately 25-30% of total orders.
- **HVDC opportunity:** The company indicated that execution of the Bhadla-Fatehpur and Khavda-Nagpur HVDC projects has commenced, including engineering activities and procurement of long-lead items such as semiconductors. Revenue recognition from the Bhadla-Fatehpur project has reached ~10%, while the Khavda-Nagpur project is at around 4-5%. It expects 4-5 HVDC projects to emerge over the next 12-24 months, providing further opportunities for the business. The recently approved 800 kV VSC-based HVDC project is an additional opportunity, with the company indicating that it is technologically prepared to participate.
- **Data center opportunity:** Data centers continue to emerge as an incremental growth opportunity, with the company witnessing traction from global hyperscalers and domestic colocation players. Its order wins in this segment are currently concentrated in India and Southeast Asian and other Asia-Pacific markets, with no exposure to US data center. The company has introduced its grid-to-rack solution, which offers an integrated portfolio covering grid connectivity, transformers, high-voltage equipment, GIS, automation and network studies, extending up to the rack level. The solution is designed to reduce the time required to power data centers, and the company is actively

engaging with customers for potential orders, with manufacturing planned in India.

- **BESS and emerging markets:** The company sees battery energy storage systems (BESS) as an additional opportunity, with its addressable scope comprising ~40% of the overall project value excluding batteries, which account for around 60%. It is also targeting opportunities across mobility, railways, metros and precision manufacturing industries, where reliable power infrastructure and predictive maintenance solutions are increasingly important. Within transport and infrastructure, orders are primarily driven by railway and metro projects. The company intends to strengthen its presence across these emerging segments while continuing to build its core utility business.
- **Technology localization:** The company highlighted its readiness for the emerging ultra-high-voltage transmission opportunity, having already completed the design, manufacturing and testing of India's first 1,150 kV transformer. Its 1,150 kV transformer, hybrid switchgear and grid automation solutions are fully localized in India. The company indicated that its technology readiness and manufacturing capabilities were established well ahead of the recent government approval for the 1,150 kV AC system. It expects this early investment in technology development and localization to support its participation in upcoming high-voltage transmission projects.
- **Margins:** The company indicated that the increase in material costs was primarily attributable to the product mix executed during the period, rather than any specific structural change in the cost base. It expects the material cost ratio to normalize towards FY26 levels as the contribution from exports, services and other businesses increases. Export orders generally carry a 300-400bp higher margin than domestic orders, although the differential varies across products.
- **Capacity expansion:** The company continues to invest ahead of demand through capacity expansion across transformers, high-voltage equipment, grid automation, HVDC and transformer components. Most of the ongoing capacity expansion projects are targeted for completion by the end of next year, with capacities expected to be progressively commissioned across product categories. Additionally, the newly announced large power transformer facility is targeted for completion in 2028. These investments are aimed at strengthening manufacturing scale, technology localization and readiness to address the anticipated increase in domestic and export demand.
- **Working capital:** The decline in OCF during 1HFY27 was primarily attributable to working capital absorption in the large HVDC projects, with the amount currently reflected in contract assets. The company expects this to translate into cash flows as invoicing progresses. Separately, the unrealized forex loss recorded during the quarter was attributed to mark-to-market valuation of open sales and purchase contracts in accordance with accounting requirements. The company follows a defined hedging policy under which contracts are hedged upon receipt, without taking speculative currency positions, and the actual impact will become clearer as the underlying contracts are executed.

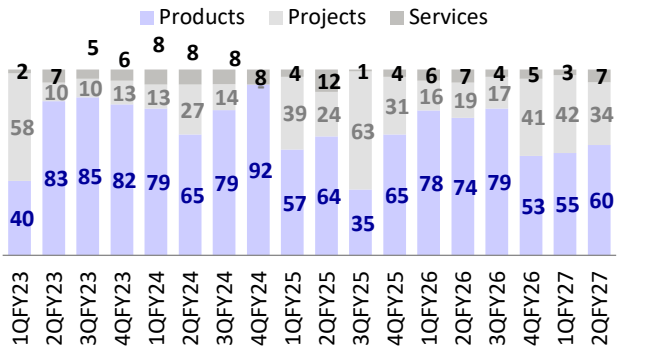
Key Exhibits

Exhibit 1: Order inflow grew 86% YoY



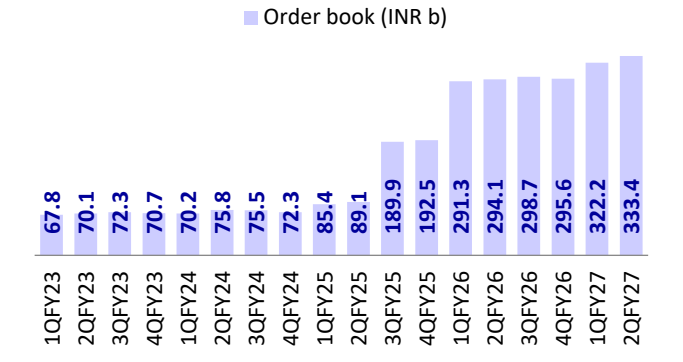
Source: Company, MOFSL

Exhibit 2: Products and projects contributed to inflows (%)



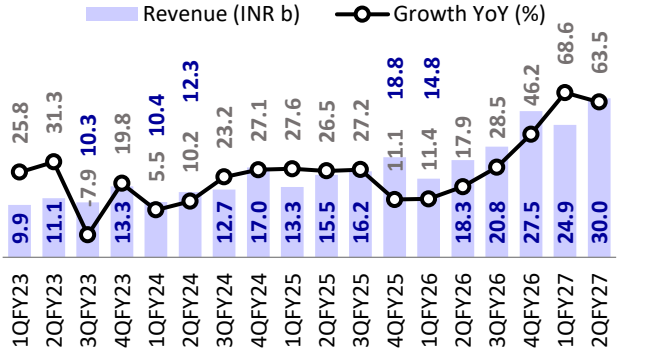
Source: Company, MOFSL

Exhibit 3: Order book jumped 13% YoY



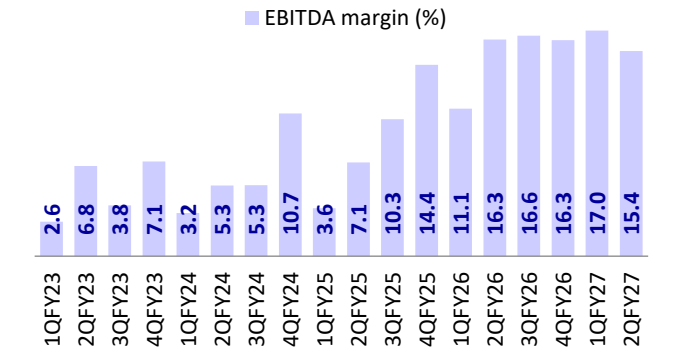
Source: Company, MOFSL

Exhibit 4: Revenue grew 64% YoY in 1QFY27



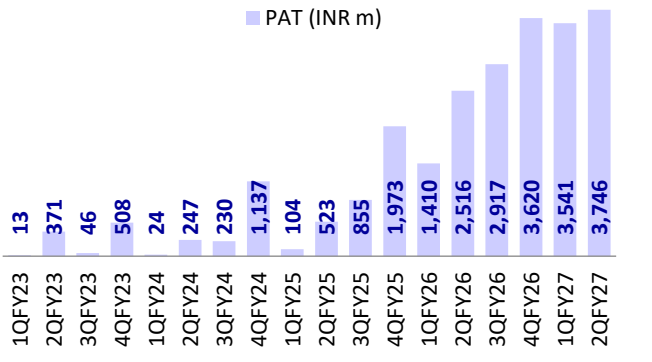
Source: Company, MOFSL

Exhibit 5: EBITDA margin down ~90bp YoY



Source: Company, MOFSL

Exhibit 6: PAT surged 49% YoY



Source: Company, MOFSL

Exhibit 7: Key order wins in India for Hitachi Energy during 2QFY27

Segments	Key order wins
TBCB	❖ Secured four marquee transformers and substation orders from two leading EPC players, including a STATCOM project
Grid automation	❖ Secured multiple orders, including digital substation control for an HVDC project and a generation plant
Data Centers	❖ Secured multiple projects from leading global hyperscalers
Service	❖ Won multiple orders, including a digitally enabled SLA for a major semiconductor customer, providing 24x7 technical support and enhanced operational reliability
High voltage	❖ A key win in this segment was from Khavda South–Olpad HVDC project, comprising a cooling system and 22 × 420 kV GIS bays, further strengthening our presence in large-scale transmission infrastructure projects.

Source: Company, MOFSL

Exhibit 8: Hitachi Energy's total payment to group companies stood at ~6.5-7.8% of sales in the last three years; it has declined in FY26 (INR m)

Hitachi Energy	CY2019	CY2020	FY2022	FY2023	FY2024	FY2025	FY2026
Total payment to group companies (INR m)	2,876	3,498	4,273	3,038	3,840	5,000	5,264
Total sales (INR m)	32,361	34,204	48,840	44,685	52,375	63,849	81,477
Royalty, tech, trade mark, IT and GM fee (% of sales)	**8.9**	**10.2**	**8.7**	**6.8**	**7.3**	**7.8**	**6.5**

Source: Company, MOFSL

Exhibit 9: Hitachi Energy's payments to group entities for royalty, IT fees, and group management fees have come down as a % of sales in FY26 (INR m)

Break-up of royalty and technology fee	CY2019	CY2020	FY2022	FY2023	FY2024	FY2025	FY2026
Hitachi Energy, Switzerland	-	645	1,976	1,462	1,902	2,545	2,419
ABB Schweiz AG, Baden, Switzerland	1,296	810					
Total	**1,296**	**1,455**	**1,976**	**1,462**	**1,902**	**2,545**	**2,419**
Break-up of trade mark fees	**CY2019**	**CY2020**	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2025**
Holding company	353						
Hitachi Energy Ltd		433					
Total	**353**	**433**	**-**	**-**	**-**	**-**	**-**
Break-up of Information technology and group management expenses	**CY2019**	**CY2020**	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**
Hitachi Energy Ltd	1	-	728	477	636	856	1,225
Hitachi Energy Technology Services	-	216	517	431	570	816	978
Hitachi Energy Holdings, Zurich	-	361	626	393	747	1,188	1,228
ABB India Limited; Bangalore; India	246	587	430	160	31	NA	NA
ABB Information Systems Ltd., Zurich, Switzerland	558	360	266	163	54	NA	NA
Other fellow subsidiaries	295	260	399	364	359	300	175
Total	**1,101**	**1,784**	**2,966**	**1,989**	**2,397**	**3,160**	**3,606**

Source: Company, MOFSL

Exhibit 10: Hitachi Energy India's expansion done in the last three years; the company is likely to further incur accelerated capex on expansion as announced in May'26

Timeline	Product	Functions
May, 2022	❖ Resin Impregnated Paper bushings up to 400kV voltage level	❖ Resin Impregnated Paper bushings offer an improvement over traditional oil-based alternatives by preventing moisture ingress, oil leakage, and reducing risks of fire in case of failure.
Aug, 2022	❖ Greenfield project in Doddaballapur for High Voltage Power Quality products such as advanced capacitor units and other products	❖ These products find application in power utilities, industries, renewables, and transportation segments to improve efficiency and reduce energy waste.
Aug, 2022	❖ Production of operating Mechanism of circuit breaker in Maneja, Vadodara	❖ To cater to increasing demand from global and local customers for operating mechanisms like FSA and BLG (industry standards of drives), which have a wide range of applications in various circuit breakers all over the world.
FY23	❖ Launched the advanced power system factory in Chennai for HVDC Light, HVDC Classic, and STATCOM with MACHTM control and protection system	❖ To cater to the rising number of high-voltage transmission projects in India and export to support global HVDC installations.
Oct, 2024	❖ Announced a capex of INR20b towards a large power transformers factory, traction transformers, interrupters, upgraded testing capabilities for specialty transformers, and relocation of bushings factory	❖ To cater to the increasing demand for energy, develop transmission infrastructure and support modernization of the Indian railway network.
May, 2026	❖ Announced a capex of INR20b for setting up a greenfield large power and HVDC converter transformer facility at Karjan, Vadodara, and adding two new lines at Bangalore unit for power quality.	❖ To cater to increase in demand
FY26	~INR7.6b	❖ Towards capacity enhancement, factory expansion, purchase of machinery, safety improvements and infrastructure upgrades of its Business Units, namely (i) Grid automation, (ii) Grid integration, (iii) High voltage products; and (iv) Transformers
FY27	~INR7.2b	
FY28	~INR2.7b	
FY29	~INR2.6b	

Source: Company, MOFSL

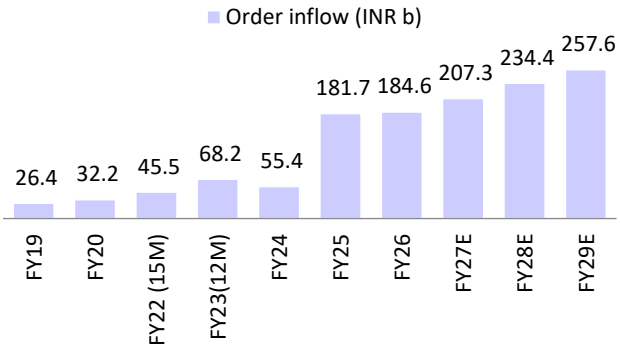
Exhibit 11: The company also invested in expanding global feeder factories to cater to the parent's demand in other countries

Facility	Requirements
Global feeder factory for switchgear at Vadodara	❖ Established in 2020 for supplying modules to Hitachi Energy group factories ❖ Continuously expanding - New manufacturing facilities for operating mechanism & 550kV Dead Tank Breakers
Additional requirements from Indian factories	❖ Global market allocation for Dead Tank Breakers, PASS, Instrument Transformers & Disconnectors

Source: Company, MOFSL

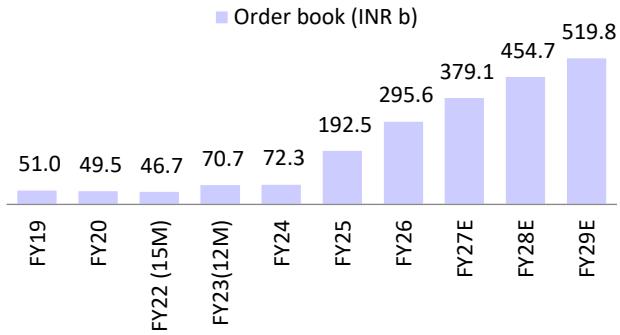
Financial outlook

Exhibit 12: We expect strong order inflows in HVDC



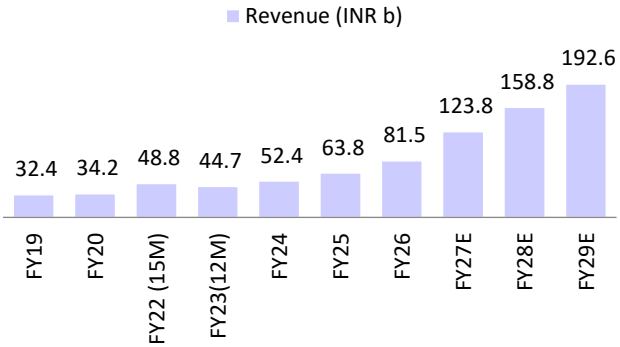
Source: Company, MOFSL

Exhibit 13: Order book to be buoyant over FY26-29E



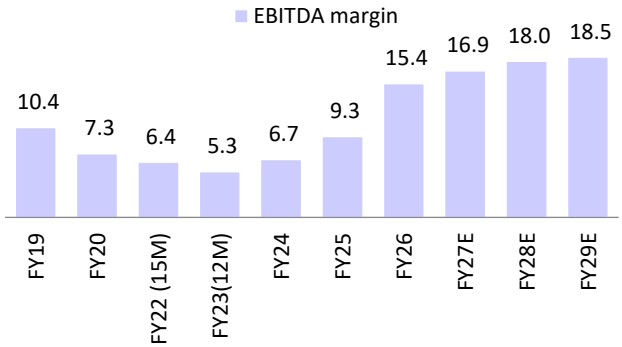
Source: Company, MOFSL

Exhibit 14: We expect 33% revenue CAGR over FY26-29



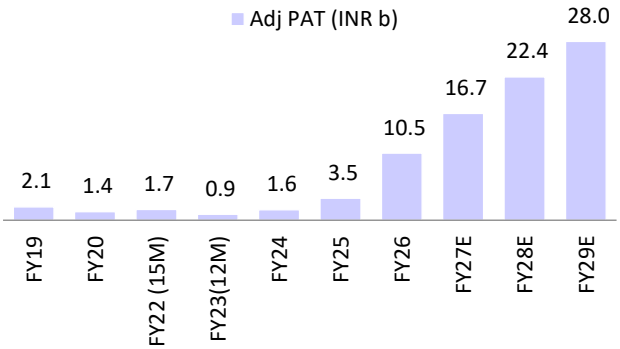
Source: Company, MOFSL

Exhibit 15: We expect margins to improve further



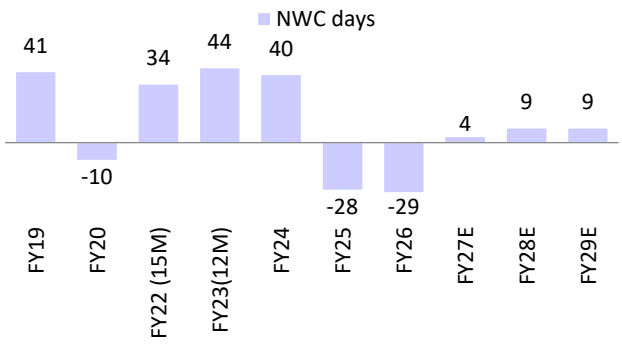
Source: Company, MOFSL

Exhibit 16: We expect 39% PAT CAGR over FY26-29



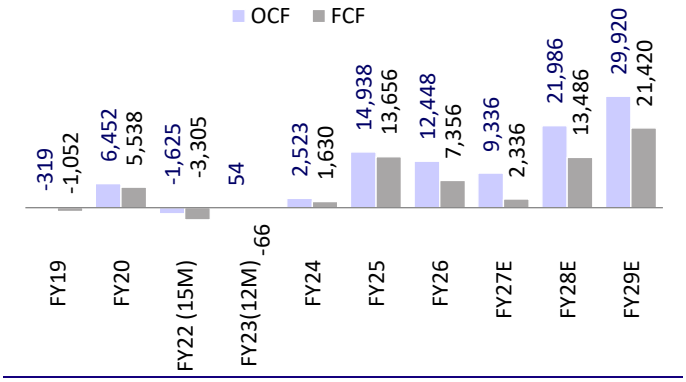
Source: Company, MOFSL

Exhibit 17: We expect NWC days to be within a stable range



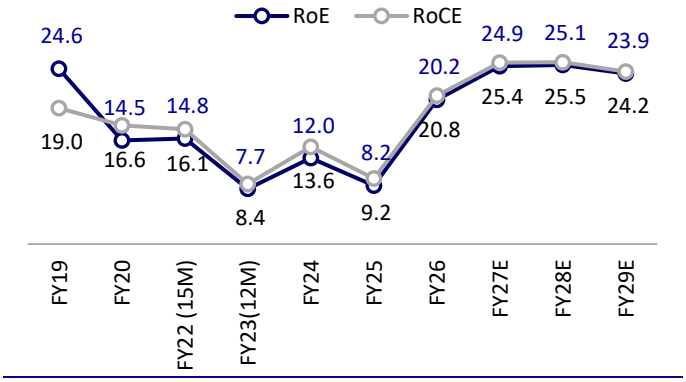
Source: Company, MOFSL

Exhibit 18: We expect OCF & FCF to remain higher, led by an improving operating performance (INR m)



Source: Company, MOFSL

Exhibit 19: We expect better return ratios, led by improved profitability (%)



Source: Company, MOFSL

Exhibit 20: We tweak our estimates to factor in improved execution and lower margins

(INR M)	FY27E			FY28E			FY29E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,23,754	1,11,778	10.7	1,58,823	1,47,406	7.7	1,92,565	1,82,077	5.8
EBITDA	20,917	20,234	3.4	28,588	28,007	2.1	35,625	36,051	(1.2)
EBITDA (%)	16.9	18.1	-120 bps	18.0	19.0	-100 bps	18.5	19.8	-130 bps
Adj. PAT	16,702	16,188	3.2	22,391	21,951	2.0	27,953	28,278	(1.1)
EPS (INR)	374.5	363.0	3.2	502.0	492.2	2.0	626.7	634.0	(1.1)

Source: MOFSL

Financials and valuation

Income Statement									(INR m)
Y/E March	2020(12M)	2022(15M)	2023(12M)	2024	2025	2026	2027E	2028E	2029E
Net Sales	**34,204**	**48,840**	**44,685**	**52,375**	**63,849**	**81,477**	**1,23,754**	**1,58,823**	**1,92,565**
Change (%)	5.7	42.8	-8.5	17.2	21.9	27.6	51.9	28.3	21.2
Raw Materials	17,606	27,712	27,110	32,191	36,955	45,729	69,674	88,782	1,07,259
Gross Profit	**16,599**	**21,128**	**17,576**	**20,184**	**26,895**	**35,748**	**54,081**	**70,041**	**85,306**
Subcontracting charges	2,668	2,865	1,506	1,834	2,702	3,013	4,576	6,512	8,665
Staff Cost	3,694	4,868	4,173	4,902	5,448	6,428	7,797	10,006	10,784
Other Expenses	7,728	10,289	9,538	9,959	12,787	13,744	20,791	24,935	30,233
EBITDA	**2,509**	**3,107**	**2,359**	**3,490**	**5,958**	**12,564**	**20,917**	**28,588**	**35,625**
% of Net Sales	7.3	6.4	5.3	6.7	9.3	15.4	16.9	18.0	18.5
Depreciation	772	955	802	900	914	1,043	1,404	1,993	2,639
Interest	204	414	401	466	452	128	128	128	128
Other Income	185	669	151	93	186	2,399	2,635	3,053	3,995
PBT	**1,718**	**2,407**	**1,308**	**2,217**	**4,778**	**13,792**	**22,020**	**29,520**	**36,853**
Tax	365	732	369	579	1,324	3,331	5,318	7,129	8,900
Rate (%)	21	30	28	26	28	24	24	24	24
Extra-ordinary Inc.(net)	-355	359	-	-	386	-583	-1,160	-	-
Reported PAT	**998**	**2,034**	**939**	**1,638**	**3,840**	**9,878**	**15,542**	**22,391**	**27,953**
Change (%)	-39.7	103.8	-53.8	74.4	134.4	157.3	57.3	44.1	24.8
Adjusted PAT	**1,353**	**1,676**	**939**	**1,638**	**3,454**	**10,462**	**16,702**	**22,391**	**27,953**
Change (%)	-34.4	23.8	-44.0	74.4	110.9	202.9	59.7	34.1	24.8

Balance Sheet (Standalone)									(INR m)
Y/E March	2020(12M	2022(15M	2023(12M	2024	2025	2026	2027E	2028E	2029E
Share Capital	85	85	85	85	89	89	89	89	89
Reserves	9,240	11,239	12,068	13,514	42,052	51,670	67,030	89,233	1,16,999
Net Worth	**9,325**	**11,324**	**12,153**	**13,599**	**42,141**	**51,760**	**67,119**	**89,322**	**1,17,088**
Loans	-	1,250	2,750	1,500	-	-	-	-	-
Deferred Tax Liability	-219	-348	-319	-537	-861	-991	-991	-991	-991
Capital Employed	**9,107**	**12,226**	**14,584**	**14,562**	**41,281**	**50,768**	**66,127**	**88,331**	**1,16,097**
Gross Fixed Assets	8,779	9,547	10,802	11,523	12,648	14,979	21,979	30,479	38,979
Less: Depreciation	2,568	3,355	3,998	4,898	5,811	6,854	8,258	10,252	12,891
Net Fixed Assets	**6,211**	**6,192**	**6,805**	**6,626**	**6,837**	**8,125**	**13,720**	**20,227**	**26,088**
Capital WIP	324	1,183	487	626	902	1,920	1,920	1,920	1,920
Goodwill and	348	334	329	324	329	329	329	329	329
Investments	-	-	-	-	-	-	-	-	-
Curr. Assets	**27,931**	**27,182**	**31,246**	**38,962**	**77,205**	**1,09,072**	**1,35,424**	**1,75,283**	**2,20,437**
Inventory	4,951	7,073	8,179	8,879	9,257	14,850	22,011	30,424	36,888
Debtors	15,845	14,187	15,278	15,217	21,096	19,133	29,060	37,295	45,218
Cash & Bank Balance	3,190	859	1,633	1,282	38,068	46,895	48,920	62,090	83,195
Loans & Advances	163	54	57	69	95	72	185	237	287
Other Current Assets	3,783	5,009	6,100	13,514	8,689	28,122	35,249	45,237	54,848
Current Liab. & Prov.	**25,706**	**22,665**	**24,282**	**31,975**	**43,992**	**68,678**	**85,266**	**1,09,429**	**1,32,677**
Creditors	15,780	16,190	15,146	18,097	20,419	30,805	39,576	50,791	61,582
Other Liabilities	8,044	4,732	7,184	11,659	20,996	34,029	40,695	52,227	63,322
Provisions	1,882	1,743	1,952	2,219	2,577	3,843	4,996	6,411	7,773
Net Current Assets	**2,225**	**4,517**	**6,964**	**6,987**	**33,213**	**40,394**	**50,158**	**65,855**	**87,760**
Application of Funds	**9,107**	**12,226**	**14,584**	**14,562**	**41,281**	**50,768**	**66,127**	**88,331**	**1,16,096**

Financials and valuation

Ratios

Y/E March	2020(12M)	2022(15M)	2023(12M)	2024	2025	2026	2027E	2028E	2029E
Basic (INR)	23.5	48.0	22.1	38.6	86.1	221.5	348.5	502.0	626.7
Adjusted EPS	**31.9**	**39.5**	**22.1**	**38.6**	**77.5**	**234.6**	**374.5**	**502.0**	**626.7**
Growth (%)	-34.4	23.8	-44.0	74.4	100.5	202.9	59.7	34.1	24.8
Cash EPS	50.1	62.0	41.1	59.9	103.0	271.3	427.0	575.1	721.5
Book Value	219.9	267.1	286.6	320.7	993.9	1,220.7	1,583.0	2,106.7	2,761.5
DPS	-	2.0	3.0	3.4	3.8	6.0	4.1	4.2	4.2
Payout (incl. Div. Tax.)	-	5.0	13.5	8.8	4.9	2.5	1.1	0.8	0.7
Valuation (x)									
P/Sales	35.4	24.8	27.1	23.1	19.9	15.6	10.3	8.0	6.6
P/E (standalone)	894.7	722.5	1,289.2	739.1	368.6	121.7	76.2	56.9	45.6
Cash P/E	569.7	460.3	695.5	477.0	277.1	105.2	66.9	49.6	39.6
EV/EBITDA	481.2	389.8	513.6	346.9	207.3	97.6	58.5	42.4	33.4
EV/Sales	35.3	24.8	27.1	23.1	19.3	15.1	9.9	7.6	6.2
Price/Book Value	129.8	106.9	99.6	89.0	28.7	23.4	18.0	13.6	10.3
Dividend Yield (%)	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profitability Ratios (%)									
RoE	14.5	14.8	7.7	12.0	8.2	20.2	24.9	25.1	23.9
RoCE	16.6	16.1	8.4	13.6	9.2	20.8	25.4	25.5	24.2
RoIC	23.1	13.2	8.6	14.4	113.5	225.6	86.0	76.9	76.0
Turnover Ratios									
Debtors (Days)	169	106	125	106	121	86	86	86	86
Inventory (Days)	53	53	67	62	53	67	65	70	70
Creditors. (Days)	168	121	124	126	117	138	117	117	117
Asset Turnover (x)	3.8	4.0	3.1	3.6	1.5	1.6	1.9	1.8	1.7
Fixed Asset Turnover (x)	3.9	5.1	4.1	4.5	5.0	5.4	5.6	5.2	4.9
Leverage Ratio									
Net Debt/Equity (x)	-0.3	0.0	0.1	0.0	-0.9	-0.9	-0.7	-0.7	-0.7

Cash Flow Statement

(INR m)

Y/E March	2020(12M)	2022(15M)	2023(12M)	2024	2025	2026	2027E	2028E	2029E
PBT before EO Items	**1,718**	**2,407**	**1,308**	**2,217**	**5,164**	**13,209**	**22,020**	**29,520**	**36,853**
Add : Depreciation	772	955	802	900	914	1,043	1,404	1,993	2,639
Interest	189	405	395	466	452	128	128	128	128
Less : Direct Taxes Paid	454	928	666	507	1,569	5,015	5,318	7,129	8,900
(Inc)/Dec in WC	-3,787	4,447	1,817	493	-10,040	-5,190	7,738	2,526	800
Others	440	-17	32	-59	-64	-2,105	-1,160	-	-
CF from Operations	**6,452**	**-1,625**	**54**	**2,523**	**14,938**	**12,448**	**9,336**	**21,986**	**29,920**
(Inc)/Dec in FA	-906	-1,675	-120	-889	-1,273	-5,089	-7,000	-8,500	-8,500
Free Cash Flow	**5,547**	**-3,300**	**-66**	**1,634**	**13,665**	**7,359**	**2,336**	**13,486**	**21,420**
(Pur)/Sale of Investments	-	-	-	-	-	-	-	-	-
Others	16	5	2	2	173	2,375	-	-	-
CF from Investments	**-890**	**-1,670**	**-118**	**-887**	**-1,100**	**-2,714**	**-7,000**	**-8,500**	**-8,500**
(Inc)/Dec in Net Worth	-	-	-	-	25,208	-	-	-	-
(Inc)/Dec in Debt	-3,572	1,104	1,364	-1,250	-1,500	-	-	-	-
Less : Interest Paid	327	414	401	409	401	63	128	128	128
Dividend Paid	-	84	127	144	169	267	183	187	187
Others	-355	358	2	-185	-191	-579	-	-	-
CF from Fin. Activity	**-4,253**	**964**	**839**	**-1,987**	**22,947**	**-909**	**-311**	**-315**	**-315**
Inc/Dec of Cash	**1,309**	**-2,331**	**775**	**-351**	**36,785**	**8,826**	**2,025**	**13,170**	**21,105**
Add: Beginning Balance	1,880	3,189	858	1,633	1,282	38,068	46,894	48,919	62,089
Closing Balance	**3,189**	**858**	**1,633**	**1,282**	**38,068**	**46,894**	**48,919**	**62,089**	**83,195**

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

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.