



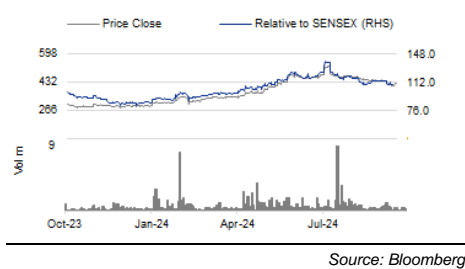
## India

**ADD** (previously HOLD)

Consensus ratings*:	Buy 12	Hold 7	Sell 4
Current price:	Rs423		
Target price:	Rs500 ▲		
Previous target:	Rs487		
Up/downside:	18.2%		
InCred Research / Consensus:	2.5%		
Reuters:	VGUA.NS		
Bloomberg:	VGRD IN		
Market cap:	US\$2,535m		
	Rs184,046m		
Average daily turnover:	US\$4.7m		
	Rs337.7m		
Current shares o/s:	434.4m		
Free float:	11.5%		
*Source: Bloomberg			

**Key changes in this note**

- We increase our revenue estimates by 4%-5% and PAT estimates by 1%-8% for FY25F-FY27F.



Price performance	1M	3M	12M
Absolute (%)	(5.4)	(7.7)	39.6
Relative (%)	(0.3)	(5.7)	11.5

Major shareholders	% held
Sbi Small Cap Fund	8.1
Kotak Emerging Equity Scheme	6.5
Nalanda India Equity	4.0

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**V-Guard Industries****Healthy demand with margin expansion**

- 2Q EBITDA grew 19% YoY to Rs1.1bn (10% below our estimate & 5% below BB consensus estimate). The EBITDA margin rose by 36bp YoY to 8.5%.
- V-Guard is likely to report healthy growth across segments with improved profitability in the coming quarters, led by demand pick-up and pricing action.
- For 1HFY25, revenue/PAT grew 18%/32% while the margin rose by 120bp. We increase our PAT by 1%-8% for FY25F-FY27F; upgrade to ADD (from HOLD).

**Healthy 2QFY25 performance**

V-Guard Industries (VGRD) reported a healthy 2QFY25 revenue of Rs12.9bn, up 14% YoY (1% above our estimate and 3% above the Bloomberg or BB consensus estimate). The revenue was driven by the electronics segment (19% YoY) and electricals (16% YoY). Revenue of the consumer durables segment grew by 11% YoY, while Sunflame declined by 1% YoY. Gross margin expanded by 207bp YoY to 35.8%. Gross margin continued to improve, aided by a higher share of in-house manufacturing, cost-saving initiatives and a gradual shift towards the premium portfolio. The margin in wires, which is the largest category in the electricals segment, was hit due to volatile copper prices. The EBIT margin of the electronics segment rose by 480bp YoY to 19.6% while electricals and consumer durables segments were up by 85bp and 436bp, respectively. Sunflame's EBIT margin fell 459bp YoY. EBITDA grew by 19% YoY to Rs1.1bn (10% below our estimate and 5% below the BB consensus estimate). The EBITDA margin expanded by 36bp YoY to 8.5%. PAT grew 7.5% YoY (-36% QoQ), 14% below our estimate and 17% below the BB consensus.

**Further uptick likely**

Management expects healthy growth across segments with improved profitability in coming quarters led by strategic actions, and also emphasized its ongoing efforts in functional integration and sales acceleration. Initial Diwali festival-led sales showed strong traction in Oct 2024, although management noted that the early Diwali festival this year may have preponed some of the demand. The electronics segment benefited from weather-driven demand, while electrical products saw consistent growth supported by price hike. The non-southern markets led with 16.9% YoY growth, contributing 44.5% to total revenue. Southern markets grew 13.6%.

**Outlook and valuation; upgrade our rating to ADD**

For 1HFY25, revenue/PAT grew 18%/32%, respectively, while the margin expanded by 120bp. Based on positive management commentary and likely healthy performance, we increase our revenue estimates by 4%-5% and PAT estimates by 1%-8% for FY25F-FY27F. The stock has corrected ~10% in the last three months. Factoring in healthy demand, margin expansion and healthy operating cash flow, we upgrade our rating on the stock to ADD (from HOLD) with a higher target price of Rs500 (Rs487 earlier), valuing it at 50x Sep 2026F EPS. Volatility in the prices of raw materials like copper and aluminium, lower demand and further weakness in Sunflame are key downside risks.

Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	41,260	48,567	56,247	62,821	71,558
Operating EBITDA (Rsm)	3,199	4,267	5,625	6,328	7,391
Net Profit (Rsm)	1,890	2,576	3,446	3,912	4,758
Core EPS (Rs)	4.4	5.9	7.9	9.0	11.0
Core EPS Growth	(16.4%)	36.3%	33.6%	13.5%	21.6%
FD Core P/E (x)	96.93	71.10	53.24	46.89	38.56
DPS (Rs)	1.3	1.3	1.5	1.8	2.3
Dividend Yield	0.31%	0.31%	0.37%	0.42%	0.54%
EV/EBITDA (x)	58.36	43.40	32.84	28.95	24.35
P/FCFE (x)	373.13	193.64	65.52	53.88	53.57
Net Gearing	21.9%	11.2%	6.1%	(1.1%)	(12.6%)
P/BV (x)	11.40	10.10	8.77	7.63	6.60
ROE	12.5%	15.1%	17.6%	17.4%	18.3%
% Change In Core EPS Estimates			7.94%	1.02%	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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## 2QFY25 conference-call highlights

- **Overview:** V-Guard reported a 14% YoY revenue growth, driven primarily by the electronics segment (stabilizers, UPS, inverters, and batteries), which saw an 18.8% rise in revenue due to the strong summer season demand. The electrical segment (wires, pumps, switchgear, and modular switches) grew 16.3% YoY, although volatile copper prices impacted the margin slightly.
- **Festive season demand:** Initial Diwali sales showed strong traction in Oct 2024, although management noted that the early Diwali festival this year may have preponed some of the demand. The electronics segment benefited from weather-driven demand, while electrical products saw consistent demand supported by price growth.
- **Geographical performance:** The non-southern markets led with 16.9% YoY growth, contributing 44.5% to total revenue. Southern markets grew by 13.6%. Inclement weather in the eastern region, a key market for V-Guard, caused some sales disruption.
- **Working capital and debt:** Strong cash flow from operations allowed V-Guard to generate Rs3.4bn in 1HFY25. This facilitated debt repayment for the Sunflame acquisition, with full repayment expected by FY25F-end.
- **Margin pressure:** Sunflame's EBITDA margin decreased due to lack of top-line growth and increased consulting expenses associated with integration. With strategic initiatives underway, management is optimistic about a return to higher margins.
- **Segments:**
  - **Electricals:** The segment grew 16.3% YoY. The wires category saw healthy demand but volatility in copper prices slightly impacted the margin. Demand for switches and switchgear remained steady, with these categories continuing to post double-digit growth. The pump segment also performed well, but management indicated that demand in this category could fluctuate depending on regional water table levels, which recent monsoon patterns may influence. Despite these variables, the electricals segment is expected to maintain its overall growth trajectory in coming quarters.
  - **Electronics:** V-Guard's electronics segment grew 18.8% YoY, largely fueled by strong seasonal demand for products like voltage stabilizers and batteries. The recent performance of batteries marked a positive shift, as the category had previously been under pressure. Solar power systems stood out as a rapidly expanding area within the electronics segment and are expected to play a significant role in future growth. Management attributed the segment's margin improvement to insourced manufacturing, especially with the new voltage stabilizer and inverter factory contributing positively. Management expects the electronics segment to sustain its annual growth rate of 12-14%.
  - **Consumer durables:** This segment reported an 11% YoY growth, although some challenges in specific product lines affected the results. Growth in water heaters was muted, impacted by the extended summer, which delayed seasonal demand for these products. Management said that some industry peers witnessed stronger growth in water heaters, possibly due to regional market variations. Kitchen appliances, particularly those under the Sunflame brand, saw slower growth than anticipated, especially in the eastern region where weather disruption affected demand. Management remains optimistic about the consumer durables segment's long-term fundamentals and its ability to recover in coming quarters.
- **Sunflame:** A part of V-Guard's kitchen appliances segment faced a challenging quarter with a 1.1% decline in revenue due to subdued demand in modern trade and e-commerce channels. Integration efforts for Sunflame are

well underway, with SAP systems now fully implemented, a new operational team in place, and the transition in e-commerce processes which involved shifting from intermediaries to direct inventory control. While these changes impacted the short-term performance, management expects stabilization as the new systems take effect. Sunflame's EBITDA margin was also under pressure during the quarter by way of consulting costs relating to strategic projects, along with lower sales and higher staffing expenses. However, gross margin remained steady, and management is optimistic about Sunflame's future performance as it invests in the product refresh cycle, which typically takes 12-15 months to complete.

**Figure 1: Results summary**

Y/E Mar (Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
<b>Total income</b>	<b>12,940</b>	<b>11,338</b>	<b>14.1%</b>	<b>14,771</b>	<b>-12.4%</b>	<b>27,711</b>	<b>23,485</b>	<b>18.0%</b>
Net raw material costs	8,302	7,509	10.6%	9,408	-11.8%	17,710	15,708	12.7%
Staff costs	1,293	1,061	21.9%	1,226	5.5%	2,519	2,101	19.9%
Other expenditure	2,242	1,842	21.7%	2,580	-13.1%	4,821	3,704	30.2%
Total expenditure	11,837	10,413	13.7%	13,213	-10.4%	25,051	21,513	16.4%
<b>EBITDA</b>	<b>1,103</b>	<b>925</b>	<b>19.2%</b>	<b>1,558</b>	<b>-29.2%</b>	<b>2,660</b>	<b>1,972</b>	<b>34.9%</b>
<b>EBITDA margin (%)</b>	<b>8.5%</b>	<b>8.2%</b>	<b>36bp</b>	<b>10.5%</b>	<b>-202bp</b>	<b>9.6%</b>	<b>8.4%</b>	<b>120bp</b>
Depreciation	221	198	11.7%	217	1.7%	438	396	10.8%
EBIT	881	727	21.3%	1,340	-34.2%	2,222	1,577	40.9%
Interest expenses	76	93	-18.8%	86	-11.8%	162	202	-19.9%
Other income	41	142	-71.4%	69	-41.4%	110	260	-57.8%
PBT	846	775	9.1%	1,324	-36.1%	2,170	1,634	32.8%
Tax – current	211	159	33.0%	325	-35.2%	536	385	39.2%
Tax – deferred	1	27	-94.9%	9	-83.7%	10	17	-42.5%
Reported consolidated PAT	634	590	7.5%	990	-36.0%	1,624	1,232	31.8%
<b>Adjusted PAT</b>	<b>634</b>	<b>590</b>	<b>7.5%</b>	<b>990</b>	<b>-36.0%</b>	<b>1,624</b>	<b>1,232</b>	<b>31.8%</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: Margin and cost analysis**

Margins	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
Gross margin	35.8%	33.8%	207bp	36.3%	-47bp	36.1%	33.1%	297bp
EBITDA	8.5%	8.2%	36bp	10.5%	-202bp	9.6%	8.4%	120bp
EBIT	6.8%	6.4%	40bp	9.1%	-226bp	8.0%	6.7%	130bp
Adjusted PAT	4.9%	5.2%	-30bp	6.7%	-180bp	5.9%	5.2%	61bp

Cost Analysis	2QFY25	2QFY24	YoY	1QFY25	QoQ	1HFY25	1HFY24	YoY
Net RM	64.2%	66.2%	-207bp	63.7%	47bp	63.9%	66.9%	-297bp
Staff costs	10.0%	9.4%	63bp	8.3%	170bp	9.1%	8.9%	15bp
Other expenditure	17.3%	16.2%	108bp	17.5%	-14bp	17.4%	15.8%	163bp
<b>Total</b>	<b>91.5%</b>	<b>91.8%</b>	<b>-36bp</b>	<b>89.5%</b>	<b>202bp</b>	<b>90.4%</b>	<b>91.6%</b>	<b>-120bp</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 3: Segment-wise revenue and EBIT**

(Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
<b>Revenue</b>								
Electronics	3,030	2,551	18.8%	5,131	-41.0%	8,161	6,188	31.9%
Electricals	5,376	4,623	16.3%	4,877	10.2%	10,253	9,190	11.6%
Consumer Durables	3,923	3,547	10.6%	4,176	-6.1%	8,100	6,858	18.1%
Sunflame	611	617	-1.1%	587	4.1%	1,197	1,249	-4.1%
<b>Total</b>	<b>12,940</b>	<b>11,338</b>	<b>14.1%</b>	<b>14,771</b>	<b>-12.4%</b>	<b>27,711</b>	<b>23,485</b>	<b>18.0%</b>
<b>EBIT</b>								
Electronics	595	378	57.3%	1,035	-42.6%	1,630	963	69.3%
Electricals	491	383	28.2%	492	-0.1%	983	673	46.0%
Consumer Durables	161	-9	N/A	217	-26.0%	378	-0	NA
Sunflame	9	37	-76.8%	27	-68.5%	36	95	-62.4%
<b>Total</b>	<b>1,255</b>	<b>752</b>	<b>66.9%</b>	<b>1,771</b>	<b>-29.1%</b>	<b>3,027</b>	<b>1,731</b>	<b>74.9%</b>
<b>EBIT margin (%)</b>								
Electronics	19.6%	14.8%	480bp	20.2%	-55bp	20.0%	15.6%	441bp
Electricals	9.1%	8.3%	85bp	10.1%	-95bp	9.6%	7.3%	226bp
Consumer Durables	4.1%	-0.3%	436bp	5.2%	-110bp	4.7%	0.0%	467bp
Sunflame	1.4%	6.0%	-459bp	4.7%	-325bp	3.0%	7.6%	-464bp
<b>Total</b>	<b>9.7%</b>	<b>6.6%</b>	<b>307bp</b>	<b>12.0%</b>	<b>-229bp</b>	<b>10.9%</b>	<b>7.4%</b>	<b>355bp</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 4: Actuals vs. estimates**

Actuals Vs. Estimates			
(Rs m)	2QFY25	2QFY25F	Var (%)
Revenue	12,940	12,767	1.4%
EBITDA	1,103	1,223	-9.8%
EBITDA margin (%)	8.5%	9.6%	-106bp
Adj. PAT	634	742	-14.6%

Actuals Vs. Consensus			
(Rs m)	2QFY25	2QFY25C	Var (%)
Revenue	12,940	12,629	2.5%
EBITDA	1,103	1,170	-5.8%
EBITDA margin (%)	8.5%	9.3%	-74bp
Adj. PAT	634	741	-14.5%

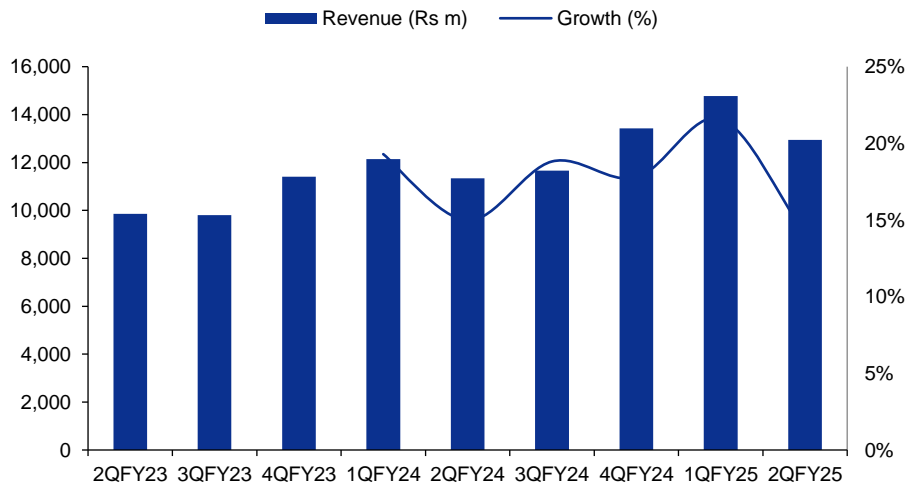
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 5: Financials excluding Sunflame**

Ex-Sunflame (Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
<b>Total income</b>	<b>12,329</b>	<b>10,720</b>	<b>15.0%</b>	<b>14,184</b>	<b>-13.1%</b>	<b>26,514</b>	<b>22,236</b>	<b>19.2%</b>
COGS	7,915	7,109	11.3%	9,051	-12.5%	16,965	14,900	13.9%
Staff costs	1,231	1,016	21.1%	1,167	5.5%	2,398	2,020	18.7%
Other expenditure	2,090	1,723	21.3%	2,436	-14.2%	4,526	3,472	30.3%
Total expenditure	11,236	9,848	14.1%	12,653	-11.2%	23,889	20,392	17.1%
<b>EBITDA</b>	<b>1,094</b>	<b>872</b>	<b>25.4%</b>	<b>1,531</b>	<b>-28.6%</b>	<b>2,625</b>	<b>1,844</b>	<b>42.3%</b>
<b>EBITDA margin (%)</b>	<b>8.9%</b>	<b>8.1%</b>	<b>73 bps</b>	<b>10.8%</b>	<b>-193 bps</b>	<b>9.9%</b>	<b>8.3%</b>	<b>161 bps</b>
Depreciation	203	176	15.6%	200	1.8%	403	352	14.5%
EBIT	890	696	27.8%	1,332	-33.1%	2,222	1,492	48.9%
Interest expenses	75	93	-18.7%	86	-12.0%	161	201	-19.7%
Other income	38	135	-72.2%	66	-42.6%	103	249	-58.5%
Extraordinary Income/(expenses)	0	0	N/A	0	N/A	0	0	N/A
PBT	852	739	15.4%	1,311	-35.0%	2,164	1,540	40.5%
Tax	215	176	21.9%	330	-34.9%	544	378	43.8%
<b>Reported consolidated PAT</b>	<b>638</b>	<b>563</b>	<b>13.3%</b>	<b>982</b>	<b>-35.0%</b>	<b>1,620</b>	<b>1,162</b>	<b>39.4%</b>
<b>Adjusted PAT</b>	<b>638</b>	<b>563</b>	<b>13.3%</b>	<b>982</b>	<b>-35.0%</b>	<b>1,620</b>	<b>1,162</b>	<b>39.4%</b>

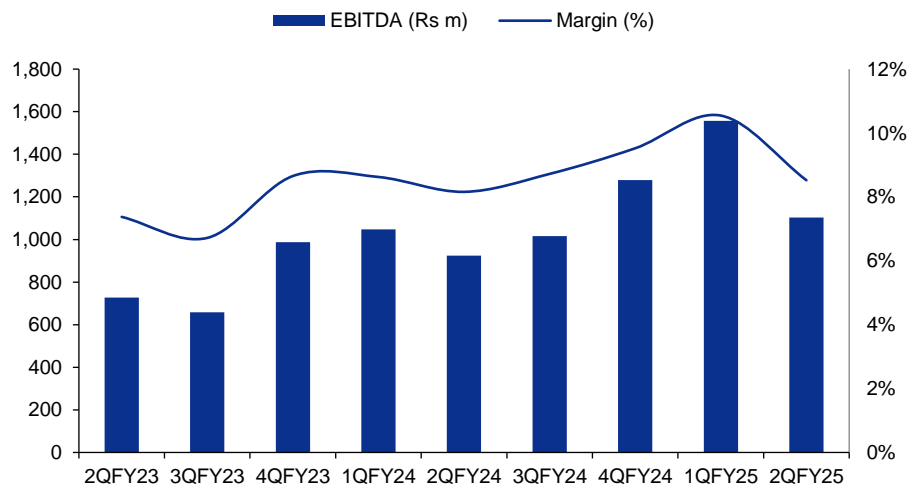
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 6: Quarterly revenue trend**



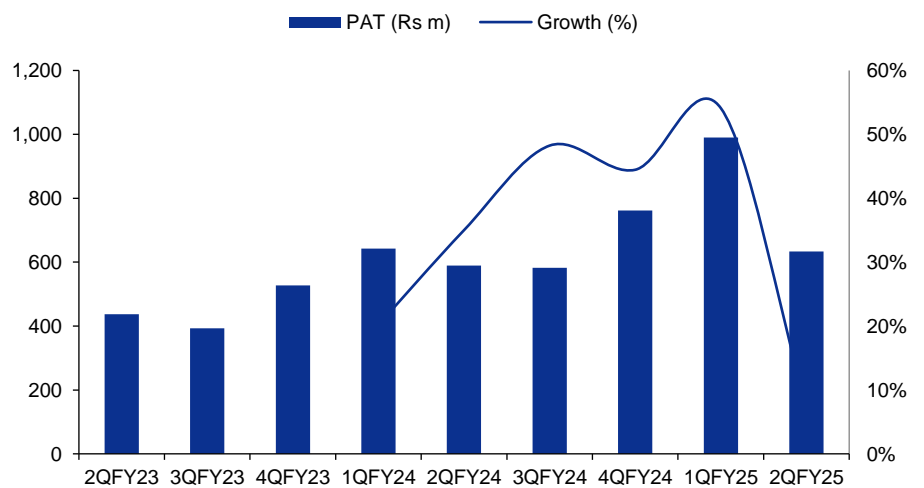
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Quarterly EBITDA trend



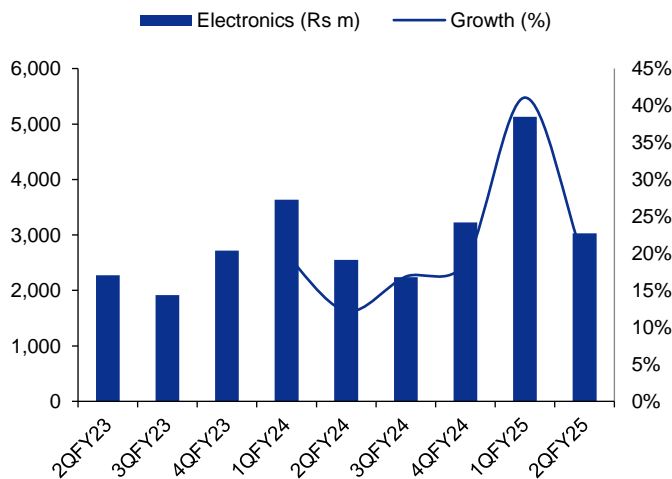
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Quarterly PAT trend



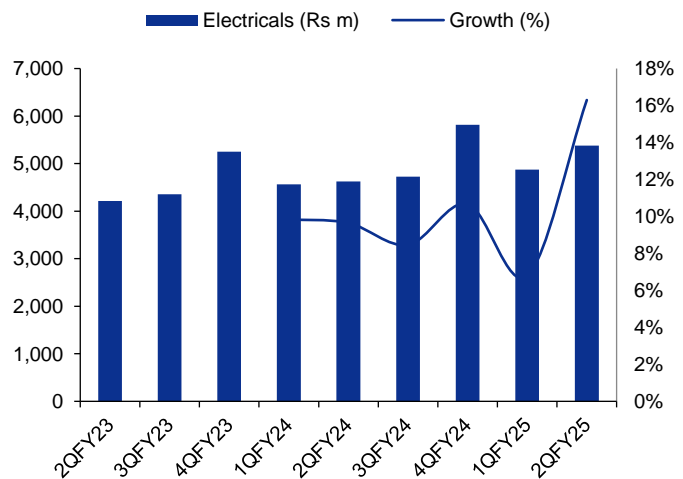
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Electronics segment revenue



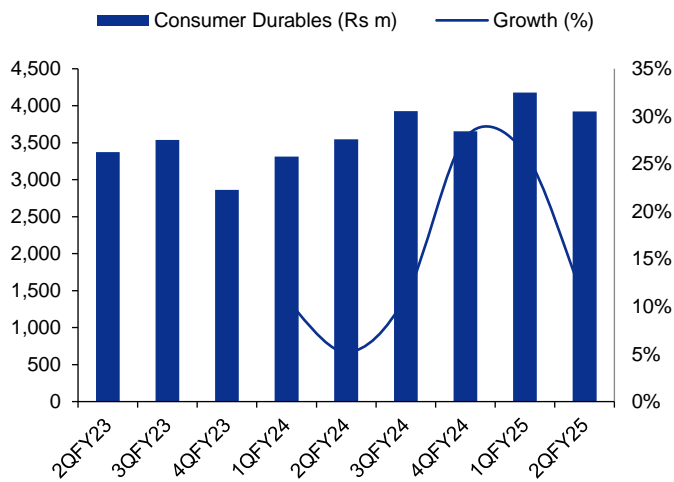
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Electricals segment revenue



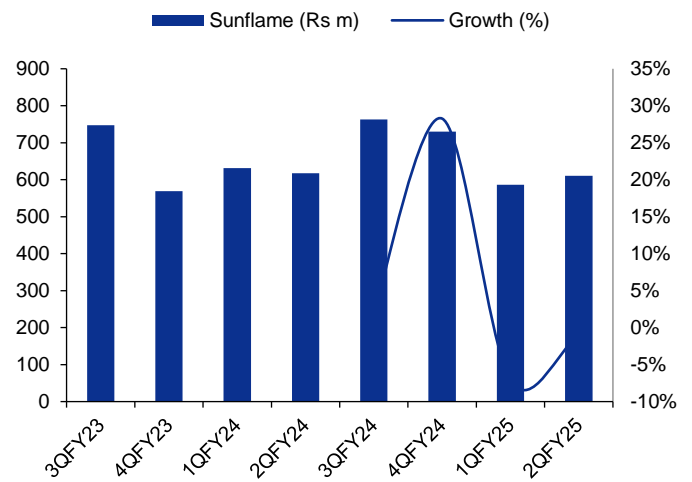
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Consumer durables segment revenue trend



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: Sunflame business revenue trend



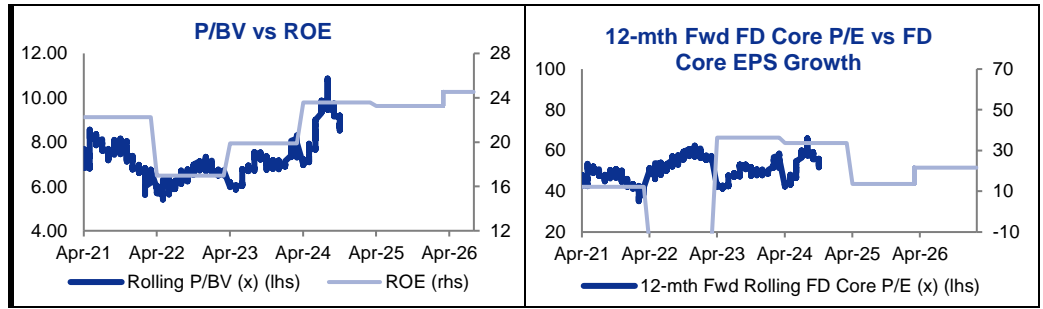
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 13: Our revised earnings estimates

	New Estimates			Old Estimates			Change (%)		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Revenue	56,247	62,821	71,558	53,714	59,640	68,724	4.7%	5.3%	4.1%
EBITDA	5,625	6,328	7,391	5,210	5,994	6,991	8.0%	5.6%	5.7%
Adjusted consol. PAT	3,446	3,912	4,758	3,192	3,873	4,512	8.0%	1.0%	5.4%
EBITDA margin (%)	10.0%	10.1%	10.3%	9.7%	10.1%	10.2%	30bp	2bp	16bp

SOURCES: COMPANY REPORTS, INCRED RESEARCH

BY THE NUMBERS



**Profit & Loss**

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	41,260	48,567	56,247	62,821	71,558
<b>Gross Profit</b>	12,416	16,326	19,417	21,786	25,174
<b>Operating EBITDA</b>	3,199	4,267	5,625	6,328	7,391
Depreciation And Amortisation	(644)	(809)	(894)	(940)	(1,003)
<b>Operating EBIT</b>	2,555	3,458	4,731	5,388	6,388
Financial Income/(Expense)	(88)	(368)	(237)	(274)	(148)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	90	313	112	117	121
<b>Profit Before Tax (pre-EI)</b>	2,557	3,403	4,606	5,231	6,361
Exceptional Items					
<b>Pre-tax Profit</b>	2,557	3,403	4,606	5,231	6,361
Taxation	(667)	(827)	(1,160)	(1,318)	(1,603)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	1,891	2,576	3,446	3,912	4,758
Minority Interests	(1)				
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	1,890	2,576	3,446	3,912	4,758
Recurring Net Profit	1,890	2,576	3,446	3,912	4,758
<b>Fully Diluted Recurring Net Profit</b>	1,890	2,576	3,446	3,912	4,758

**Cash Flow**

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	3,199	4,267	5,625	6,328	7,391
Cash Flow from Invt. & Assoc.					
Change In Working Capital	1,414	308	(801)	(741)	(1,190)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(24)	(183)	(125)	(157)	(27)
Net Interest (Paid)/Received	138	368	237	274	148
Tax Paid	(488)	(833)	(1,160)	(1,318)	(1,603)
<b>Cashflow From Operations</b>	4,238	3,927	3,776	4,385	4,719
Capex	(1,012)	(1,274)	(859)	(885)	(911)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	(6,721)	(281)			(500)
Other Investing Cashflow	21	29	81	105	217
<b>Cash Flow From Investing</b>	(7,712)	(1,526)	(778)	(780)	(1,194)
Debt Raised/(repaid)	3,964	(1,455)	(200)	(200)	(100)
Proceeds From Issue Of Shares	20	61			
Shares Repurchased					
Dividends Paid	(561)	(563)	(671)	(780)	(997)
Preferred Dividends					
Other Financing Cashflow	(162)	(365)	(318)	(379)	(366)
<b>Cash Flow From Financing</b>	3,261	(2,322)	(1,189)	(1,359)	(1,463)
Total Cash Generated	(212)	79	1,809	2,246	2,062
<b>Free Cashflow To Equity</b>	490	946	2,798	3,405	3,425
<b>Free Cashflow To Firm</b>	(3,635)	2,006	2,680	3,226	3,159

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Total Cash And Equivalents	670	875	1,435	2,775	5,919
Total Debtors	5,687	5,958	6,900	7,707	8,779
Inventories	7,674	8,118	9,094	9,985	11,373
Total Other Current Assets	1,021	1,423	1,648	1,840	2,096
<b>Total Current Assets</b>	<b>15,052</b>	<b>16,375</b>	<b>19,077</b>	<b>22,307</b>	<b>28,167</b>
Fixed Assets	8,851	9,465	9,527	9,472	9,381
Total Investments	352	722	722	722	722
Intangible Assets	2,528	2,528	2,528	2,528	2,528
Total Other Non-Current Assets	2,205	2,426	2,328	2,328	2,328
<b>Total Non-current Assets</b>	<b>13,936</b>	<b>15,141</b>	<b>15,106</b>	<b>15,051</b>	<b>14,960</b>
Short-term Debt	1,467	1,538	1,432	1,326	1,274
Current Portion of Long-Term Debt					
Total Creditors	4,885	5,500	6,370	7,114	8,104
Other Current Liabilities	1,815	2,983	3,455	3,859	4,396
<b>Total Current Liabilities</b>	<b>8,168</b>	<b>10,021</b>	<b>11,257</b>	<b>12,300</b>	<b>13,773</b>
Total Long-term Debt	2,729	1,373	1,278	1,184	1,137
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,065	1,061	1,061	1,061	1,061
<b>Total Non-current Liabilities</b>	<b>3,794</b>	<b>2,433</b>	<b>2,339</b>	<b>2,245</b>	<b>2,197</b>
Total Provisions	951	919	919	919	919
<b>Total Liabilities</b>	<b>12,912</b>	<b>13,374</b>	<b>14,515</b>	<b>15,464</b>	<b>16,890</b>
Shareholders Equity	16,076	18,142	20,917	24,050	27,811
Minority Interests					
<b>Total Equity</b>	<b>16,076</b>	<b>18,142</b>	<b>20,917</b>	<b>24,050</b>	<b>27,811</b>

<b>Key Ratios</b>					
	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Revenue Growth	17.9%	17.7%	15.8%	11.7%	13.9%
Operating EBITDA Growth	(5.4%)	33.4%	31.8%	12.5%	16.8%
Operating EBITDA Margin	7.8%	8.8%	10.0%	10.1%	10.3%
Net Cash Per Share (Rs)	(8.14)	(4.70)	(2.94)	0.61	8.09
BVPS (Rs)	37.13	41.91	48.23	55.46	64.13
Gross Interest Cover	15.78	8.75	14.88	14.21	17.46
Effective Tax Rate	26.1%	24.3%	25.2%	25.2%	25.2%
Net Dividend Payout Ratio	21.9%	16.5%	14.6%	14.9%	15.7%
Accounts Receivables Days	46.57	43.76	41.72	42.44	42.04
Inventory Days	102.94	89.40	85.29	84.85	84.03
Accounts Payables Days	61.79	58.79	58.82	59.97	59.88
ROIC (%)	18.3%	16.3%	22.1%	24.3%	27.9%
ROCE (%)	14.8%	16.1%	20.7%	21.1%	22.5%
Return On Average Assets	10.6%	12.5%	14.7%	15.4%	16.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
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<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
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Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
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Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.