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Generating Wealth

Q1FY27 Result update
27th Jul 2026

Orient Electric Ltd

Premiumization & Innovation-led growth with operating leverage.

CMP: INR 171

Rating: BUY

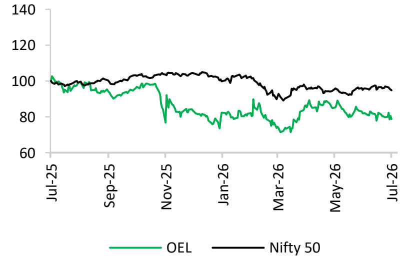
Target Price: INR 263

Stock Info	
BSE	541301
NSE	ORIENTELEC
Bloomberg	ORIENTAL:IN
Reuters	ORIENTAL.BO
Sector	Consumer Durables
Face Value (INR)	1
Equity Capital (INR cr)	21
Mkt Cap (INR cr)	3,649
52w H/L (INR)	225 / 149
Avg Yearly Volume (in 000')	588.6

Shareholding Pattern % *(As on Jun, 2026)*	
Promoters	38.30
DII	32.49
FII	3.28
Public & Others	25.94

Stock Performance (%)	3m	6m	12m
OEL	-7.6	-4.0	-21.1
NIFTY	-0.5	-5.6	-5.2

OEL Vs Nifty



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Orient Electric Ltd reported numbers, Q1FY27 revenue grew by 23.5% YoY (+0.2% QoQ) to INR 950cr; above our estimates of INR 830cr, supported strong growth in ECD and Lightings & Switchgears. EBITDA stood at INR 67cr (+44.5% YoY/-13.9% QoQ); above our estimates of INR 52cr. EBITDA margin improved by 102bps YoY (-115 bps QoQ) to 7% in Q1FY27, supported by operating leverage and cost discipline. PAT stood at INR 31cr (+79.7% YoY/-21.8% QoQ); above our estimates of INR 20cr, PAT margin improved by 104 bps YoY (-93 bps QoQ) to 3.3% in Q1FY27.

Key Highlights

Resilient growth trajectory with Premiumization & Diversification: The company has delivered robust growth of 23.5% YoY, supported by strong recovery in ECD (+22.7% YoY) and its high-growth Lighting & Switchgear business (+25.4% YoY) in Q1FY27. The company is successfully executing a premiumization strategy, evidenced by its premium fan mix reaching 36% and high-value luminaires expanding to 60% of lighting revenue (up 500 bps YoY). This focus is further strengthened by innovation, with new products contributing 30% of fan revenue and winning three Red Dot Design Awards, ensuring a strong value proposition to justify pricing power.

Margin resilience & operating leverage despite cost headwinds: The gross margin moderated to 29.8% (-277bps YoY/--116 bps QoQ) in Q1FY27, due to increases in copper, aluminum, and labor costs. The proactive price actions, including six price hikes in fans totaling 15%-16% (Dec-25 to Jun-26) and disciplined cost management, helped expand EBITDA margins to 7% (+100 bps YoY/-115 bps QoQ) in Q1FY27. Project Sanchay contributed INR 10cr savings in Q1FY27. The company's strong operating leverage with premiumization leading to margin improvement. The company aspired to achieve double-digit EBITDA margins and 32%-34% gross margins under normal conditions.

Strategic execution with exports remains strong: The company is successfully diversifying its portfolio, with emerging businesses like wires (grew >200%), switchgears, and switches scaling rapidly. Exports grew double-digit with a focus on Africa and SAARC. The strategic expansion of its Direct-to-Market network, adding ~3,600 retailers, and a growing e-commerce and quick-commerce presence, strengthens its distribution moat.

Outlook & Valuation: Orient Electric is firmly anchored in its "One Orient" strategy, positioning the company for sustained market-beating performance despite a volatile operating environment. A combination of premiumization, innovation, and portfolio diversification mainly drives growth. The premium fan mix is already at 36%, and high-value luminaires contribute 60% of lighting revenue (up 500 bps YoY). The company is well-equipped to defend margins and lead industry price hikes, as demonstrated by six price increases in fans totaling 15-16% over the last six months. Emerging businesses like wires (grew >200% YoY), switchgears, and switches are scaling rapidly, reducing dependence on fans and improving earnings resilience. Exports continue to grow double-digit with expanding footprints in Africa and SAARC. The company's strong balance sheet, with working capital days at a healthy 25 days, provides flexibility to navigate volatility, invest in automation, and fund future growth. The improving consumer sentiment and continued expansion of its Direct-to-Market network (adding ~3,600 retailers) are expected to lead to better growth in the coming quarters. We estimate the Revenue/EBITDA/PAT CAGR of 11.2%/17.1%/25% over the period of FY26-29E. RoE (13.2% to 18.4%) and RoCE (13.1% to 17.5%) are expected to improve over the period of FY26-29E. The stock is trading at 27.7x based on FY27E EPS. At the CMP of INR 171, we are maintaining our "BUY" rating at a TP of INR 263 per share; valued at a PE multiple of 30x (Mean of -1SD & -2SD: 30.3x) and its FY29E EPS of INR 8.8, an upside of 53.9%.

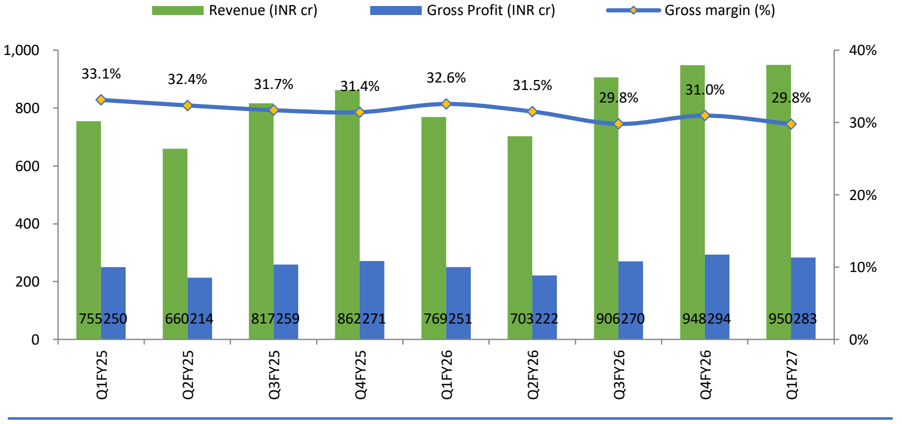
Q1FY27 Result update

Exhibit 1: Income statement summary

Y/e 31 Mar (INR cr)	Q1FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Revenue	**769**	**948**	**950**	**23.5%**	**0.2%**
Net Raw Materials	519	655	667	28.6%	1.8%
Gross Profit	**251**	**294**	**283**	**13.0%**	**-3.6%**
Gross Margins (%)	**32.6%**	**31.0%**	**29.8%**	**-277 bps**	**-116 bps**
Employee Cost	76	79	84	10.7%	7.1%
Other Expenses	128	137	132	3.0%	-3.9%
EBITDA	**46**	**77**	**67**	**44.5%**	**-13.9%**
EBITDA Margin (%)	**6.0%**	**8.2%**	**7.0%**	**+102 bps**	**-115 bps**
Depreciation	19	20	19		
Interest expense	5	5	6		
Other income	2.5	3.5	4.4		
Exceptional Items	-	(2)	(4)		
Profit before tax	**24**	**54**	**42**		
Taxes	6	14	11		
PAT	**18**	**40**	**31**	**79.7%**	**-21.8%**
PAT Margin (%)	**2.3%**	**4.2%**	**3.3%**	**+104 bps**	**-93 bps**
EPS (INR)	**0.8**	**1.9**	**1.5**		

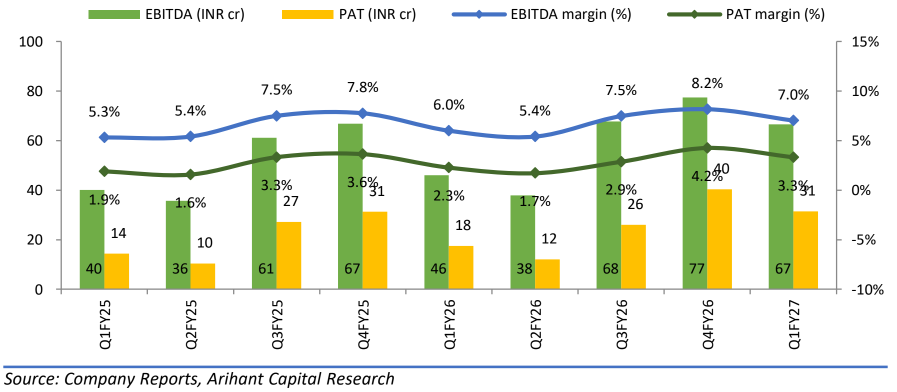
Source: Company Reports, Arihant Capital Research

Exhibit 2: Gross margins contracted by 277 bps YoY (-116 bps QoQ) to 29.8% in Q1FY27, due to sharp commodity inflation across copper, aluminum, paints, freight, and wages.



Source: Company Reports, Arihant Capital Research

Exhibit 3: EBITDA margin improved by 102 bps YoY (-115 bps QoQ) to 7% in Q1FY27, supported by operating leverage and cost efficiency measures.



Source: Company Reports, Arihant Capital Research

Quarterly results and Segments

Exhibit 4: Orient Electric revenue grew 23.5% YoY in Q1FY27, driven by strong growth in ECD and Lightings & Switchgears. Gross margins were lower at 29.8% (Aspiration margin: 32%-34%) due to elevated commodity prices especially copper, aluminum, paints, freight, and fuel costs. however EBITDA margin remain improved to 7%, supported by operating leverage and cost efficiencies.

Y/e 31 Mar (INR cr)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Revenue	**755**	**660**	**817**	**862**	**769**	**703**	**906**	**948**	**950**	**23.5%**	**0.2%**
Net Raw Materials	505	446	558	591	519	481	636	655	667	28.6%	1.8%
Gross Profit	**250**	**214**	**259**	**271**	**251**	**222**	**270**	**294**	**283**	**13.0%**	**-3.6%**
Gross Margins (%)	**33.1%**	**32.4%**	**31.7%**	**31.4%**	**32.6%**	**31.5%**	**29.8%**	**31.0%**	**29.8%**	**-277 bps**	**-116 bps**
Employee Cost	77	78	75	76	76	76	77	79	84	10.7%	7.1%
Other Expenses	133	100	123	128	128	108	126	137	132	3.0%	-3.9%
EBITDA	**40**	**36**	**61**	**67**	**46**	**38**	**68**	**77**	**67**	**44.5%**	**-13.9%**
EBITDA Margin (%)	**5.3%**	**5.4%**	**7.5%**	**7.8%**	**6.0%**	**5.4%**	**7.5%**	**8.2%**	**7.0%**	**+102 bps**	**-115 bps**
Depreciation	18	20	20	22	19	19	19	20	19		
Interest expense	6	6	6	6	5	5	7	5	6		
Other income	2.5	4.2	1.7	3.5	2.5	2.5	1.6	3.5	4.4		
Exceptional Items	-	-	-	-	-	-	(9)	(2)	(4)		
Profit before tax	**19**	**14**	**37**	**42**	**24**	**16**	**35**	**54**	**42**		
Taxes	5	4	9	11	6	4	9	14	11		
PAT	**14**	**10**	**27**	**31**	**18**	**12**	**26**	**40**	**31**	**79.7%**	**-21.8%**
PAT Margin (%)	**0**	**1.6%**	**3.3%**	**3.6%**	**2.3%**	**1.7%**	**2.9%**	**4.2%**	**3.3%**	**+104 bps**	**-93 bps**
EPS (INR)	**0.7**	**0.5**	**1.3**	**1.5**	**0.8**	**0.6**	**1.2**	**1.9**	**1.5**		

Source: Company Reports, Arihant Capital Research

Exhibit 5: ECD segment grew 22.7% YoY (+1.1% QoQ), supported by the BLDC Fans & heating category. ECD margins improved by 194bps YoY (-269 bps QoQ) supported by premiumization and operational efficiencies. Lighting & Switchgear growth remain strong at 25.4% YoY (-2.1% QoQ), supported by new product launches and distribution expansion. Lighting & Switchgears margins down by 240bps YoY (+92 bps QoQ) due to continued pricing pressure in lightings.

Segmental Revenue (INR cr)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Electric Consumer Durables	545	440	574	614	545	441	647	661	669	**22.7%**	**1.1%**
Lighting & Switchgears	210	221	242	248	224	262	260	287	281	**25.4%**	**-2.1%**
Total Revenue	**755**	**660**	**817**	**862**	**769**	**703**	**906**	**948**	**950**	**23.5%**	**0.2%**

Segmental EBIT (INR cr)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Electric Consumer Durables	49	39	64	68	37	36	77	75	58	**57.8%**	**-22.7%**
Lighting & Switchgears	39	30	32	31	39	34	25	40	42	**8.1%**	**4.3%**
Total EBIT	**88**	**69**	**96**	**99**	**76**	**70**	**101**	**116**	**100**	**32.3%**	**-13.3%**

Segmental EBIT Margin (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Electric Consumer Durables	9.1%	8.8%	11.2%	11.0%	6.8%	8.2%	11.8%	11.4%	8.7%	**+194 bps**	**-269 bps**
Lighting & Switchgears	18.6%	13.6%	13.3%	12.5%	17.4%	13.1%	9.5%	14.1%	15.0%	**-240 bps**	**+92 bps**
Blended EBIT Margin	**11.7%**	**10.4%**	**11.8%**	**11.4%**	**9.9%**	**10.0%**	**11.2%**	**12.2%**	**10.6%**	**+70 bps**	**-164 bps**

Source: Company Reports, Arihant Capital Research

Exhibit 6: Product/segment wise updates in Q1FY27.

Product / Segment	Key Updates
Revenue	▪ Revenue grew 23.5% YoY, driven by volume and value growth across all categories. ▪ Strong summer revival and healthy discretionary spending.
ECD (Fans + Appliances)	▪ ECD segment grew 22.7% YoY to INR 669cr, driven by strong summer, deeper DTM penetration, and premiumization.
Fans (Overall)	▪ High double-digit growth, outperforming peers. Premium mix reached 36% of domestic fan revenue. New products contributed 30% of fan revenue.
BLDC Fans	▪ BLDC fans grew 36% YoY; now constitutes 27-30% of ceiling fan business. In-house designed PCBs with stringent quality. Focus on tech plus design.More profitable than induction fans.
Appliances	▪ Sustained upward trajectory with double-digit growth. Strong traction in heating and garment care categories.
Lighting & Switchgear (Combined)	▪ Lighting & Switchgear segment grew 25.4% YoY, driven by distribution expansion, portfolio premiumization, and steady market share gains.
Lighting - B2C (Consumer)	▪ High double-digit growth. Meaningful improvement in volume-to-value conversion. ▪ Share of high-value luminaires expanded to 60% (up 500 bps YoY).
Lighting - B2B (Professional)	▪ Gained traction with healthy project inquiry pipeline; grew high single-digit. ▪ Tender business saw deliberate degrowth due to risk profiling.
Switchgear & Switches	▪ Sustained double-digit growth. Accelerated electrician engagement initiatives. ▪ New sub-category launches lanned for Q2FY27E to capture fast-growing segments.
Wires	▪ Wires grew >200% YoY (on a small base). Focused on house wires category. ▪ Currently in North & East markets, leveraging 45% of large fan dealers who also sell wires. Gradual expansion strategy.
Exports	▪ Exports grew double-digit rate in Q1FY27. Focus on Africa and SAARC markets; Middle East impacted. ▪ Hyderabad plant is export-compliant and certified by SAARC countries. Europe is a future opportunity (quality superior vs China).
E-commerce & Quick-commerce	▪ its delivered double-digit growth, supported by stronger assortment and healthy consumer traction.
New Product Development (NPD)	▪ New products contributed 30% of fan revenue and ~15% of lighting revenue. Won 3 Red Dot Design Awards for innovation.

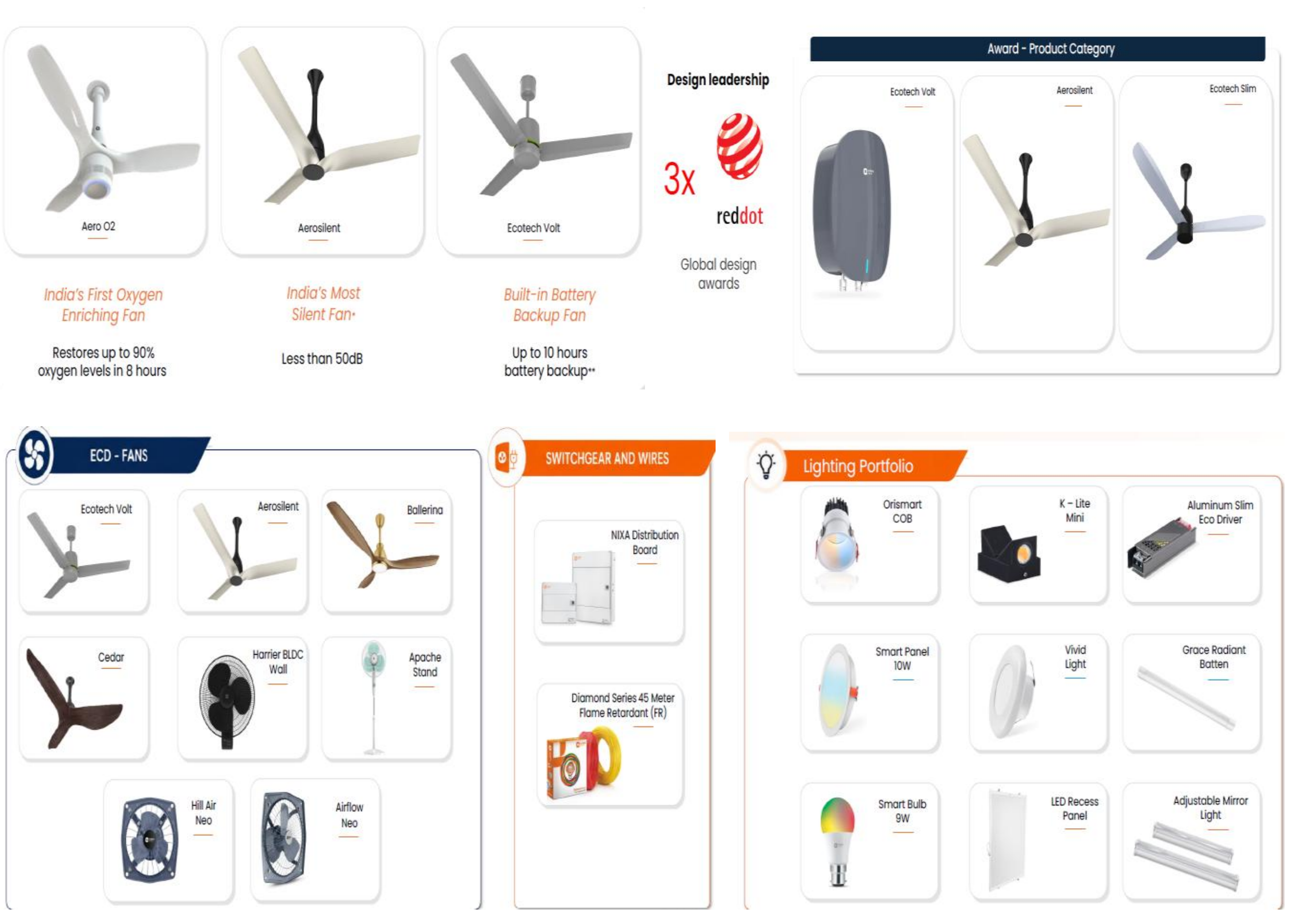
Source: Company reports, Arihant Capital Research

Exhibit 7: We listed a few challenges, where company faced in Q1FY27.

Challenges / Headwinds	Specific Impact on Business
Commodity Inflation	▪ Sharp rise in copper, aluminum, paints, freight, and fuel costs led to gross margin moderation to 29.8% (below the 32-34% aspiration). Required aggressive price hikes (6 times in fans, totaling ~15-16%). ▪ Created a significant lead-lag effect between cost increases and price realization, compressing gross margins despite proactive pricing actions.
Geopolitical Uncertainty & Import Delays	▪ Kept supply chains under stress, adding to operational complexity and cost unpredictability. Made it difficult to ensure timely availability of inputs.
Lead-Lag Effect on Price Pass-Through	▪ Despite being first to hike prices, the time lag (2-3 weeks in lighting) between cost spikes and price implementation hurt gross margins in Q1FY27.
Softness in Global Demand (Exports)	▪ Middle East export market faced headwinds. Europe remains untapped due to cost competitiveness issues vs. China, limiting export growth potential despite superior quality.
Industry-Wide Price Erosion in Lighting	▪ While the company focused on high-value luminaires, the broader lighting industry faced price erosion, making it challenging to maintain margins in certain sub-segments.
Risk Profiling in Tender Business	▪ Deliberate degrowth in the lighting tender business due to risk profiling, which pulled down overall B2B lighting growth.

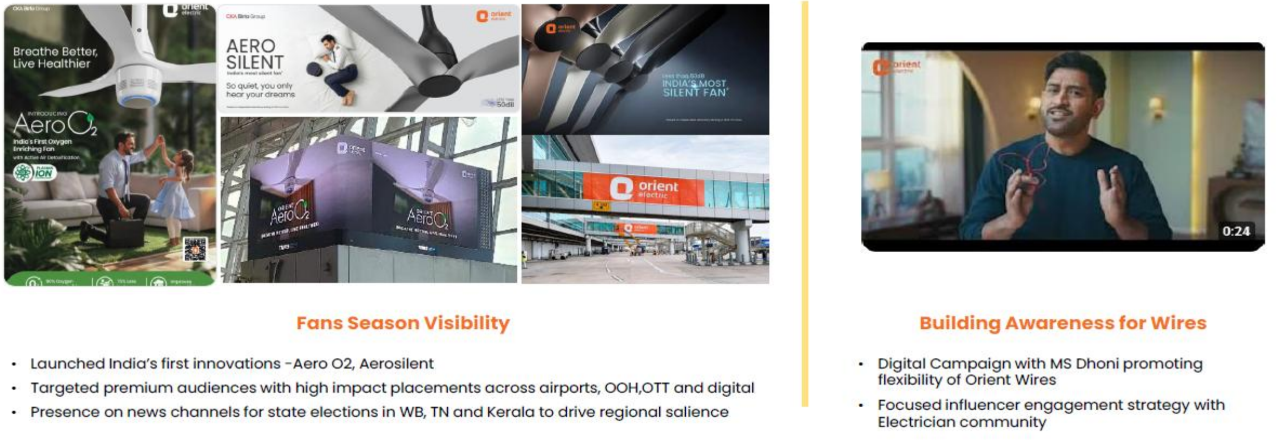
Source: Company reports, Arihant Capital Research

Exhibit 8: New product launches in Q1FY27.



Source: Company Reports, Arihant Capital Research

Exhibit 9: Marketing initiatives



Source: Company Reports, Arihant Capital Research

Q1FY27 Concall Highlights

Revenue and Margins

- The management is targeting a 14%-15% revenue growth CAGR to achieve INR 5,000cr over the medium term.

- Revenue grew 23.5% YoY, driven by strong summer revival, healthy discretionary spending, and broad-based momentum across all categories. Its volume-led growth, with strong secondary sales and no inventory build-up.

Margins

- Gross margin moderated to 29.8% in Q1FY27 due to sharp commodity inflation across copper, aluminum, paints, freight, and wages. However, EBITDA margin improved to 7%, driven by operating leverage and fixed-cost discipline.

- The management aspired to a gross margin of 32%-34% under normal conditions and to achieve double-digit EBITDA margins.

ECD

- ECD segment grew 22.7% YoY in Q1FY27, led by a strong summer and deeper market penetration.

- BLDC fans grew 36% YoY in Q1FY27 and now constitute 27%-30% of the ceiling fan business.

- The company focuses on both technology and design, with in-house designed PCBs and stringent quality controls. BLDC fans are more profitable and expected to outpace induction fans, with launches like India's first oxygen-enriching fan and silent fans with less than 50 dB noise.

Lightings & Switchgear

- Lighting & Switchgear segment grew 25.4% YoY, driven by distribution expansion and premiumization.

- B2C lighting grew high double-digits, while B2B project lighting grew high single-digits. The tender business saw deliberate degrowth due to risk profiling.

- Switchgear and switches grew double-digits, with new product launches like 6kA MCBs planned for Q2FY27E. Lighting remains a strong second pillar after fans, with consistent market share gains.

Wires

- The wires business grew 200%+ YoY on a small base, leveraging the fan dealer network for cross-sell.

- The wires business is focused on the house wires category and is currently operational in the North and East markets. The strategy leverages the fact that 45% of large fan dealers also sell wires, enabling effective cross-sell. The company plans gradual expansion rather than going pan-India immediately.

Q1FY27 Concall Highlights

Price hike

- Appliances saw a 10% hike, while lighting and switchgear also saw high single-to-double-digit increases.

- LME volatility and the lead-lag effect of inflation versus price realization impacted gross margins.

Premiumization & Product mix

- The company took six price hikes in fans from Dec-25 to Jun-26, totaling 15% to 16%, and led the industry in both timing and quantum of increases.

- The premium fan mix reached 36% of domestic fan revenue, while the share of high-value luminaires expanded to 60%.

- New products contributed 30% of fan revenue and 15% of lighting revenue in Q1FY27.

Distribution & Channel strategy

- The Direct-to-Market (DTM) network added 3,600 new retailers in Q1FY27, and both DTM and non-DTM markets grew healthy double-digits.

- E-commerce and quick-commerce scaled well, delivering double-digit growth. The Samvad platform, with AI-led capabilities, improved consumer insights and service resolution.

Electrician engagement program

- The company accelerated its electrician engagement initiatives as a key strategy for switches, switchgear, and wires. This program is critical for influencing key stakeholders and driving cross-sell by leveraging the existing fan and lighting distribution ecosystem.

Hyderabad facility & exports

- The Hyderabad plant is export-compliant and has been certified by several SAARC countries. Export growth was driven by Africa and SAARC, while the Middle East faced headwinds.

- Europe presents a future opportunity, but Indian manufacturers are currently not cost-competitive versus China, though quality is superior.

Other highlights

- The Capex is focused on new product development, automation, capacity enhancement, and plant maintenance.

- Project Sanchay delivered INR 10cr cost savings in Q1FY27.

Outlook & Valuation: Orient Electric is firmly anchored in its "One Orient" strategy, positioning the company for sustained market-beating performance despite a volatile operating environment. A combination of premiumization, innovation, and portfolio diversification mainly drives growth. The premium fan mix is already at 36%, and high-value luminaires contribute 60% of lighting revenue (up 500 bps YoY). The company is well-equipped to defend margins and lead industry price hikes, as demonstrated by six price increases in fans totaling 15-16% over the last six months. Emerging businesses like wires (grew >200% YoY), switchgears, and switches are scaling rapidly, reducing dependence on fans and improving earnings resilience. Exports continue to grow double-digit with expanding footprints in Africa and SAARC. The company's strong balance sheet, with working capital days at a healthy 25 days, provides flexibility to navigate volatility, invest in automation, and fund future growth. The improving consumer sentiment and continued expansion of its Direct-to-Market network (adding ~3,600 retailers) are expected to lead to better growth in the coming quarters. We estimate the Revenue/EBITDA/PAT CAGR of 11.2%/17.1%/25% over the period of FY26-29E. RoE (13.2% to 18.4%) and RoCE (13.1% to 17.5%) are expected to improve over the period of FY26-29E. The stock is trading at 27.7x based on FY27E EPS. At the CMP of INR 171, we are maintaining our "BUY" rating at a TP of INR 263 per share; valued at a PE multiple of 30x (Mean of -1SD & -2SD: 30.3x) and its FY29E EPS of INR 8.8, an upside of 53.9%.

Exhibit 10: 1-year forward PE Band

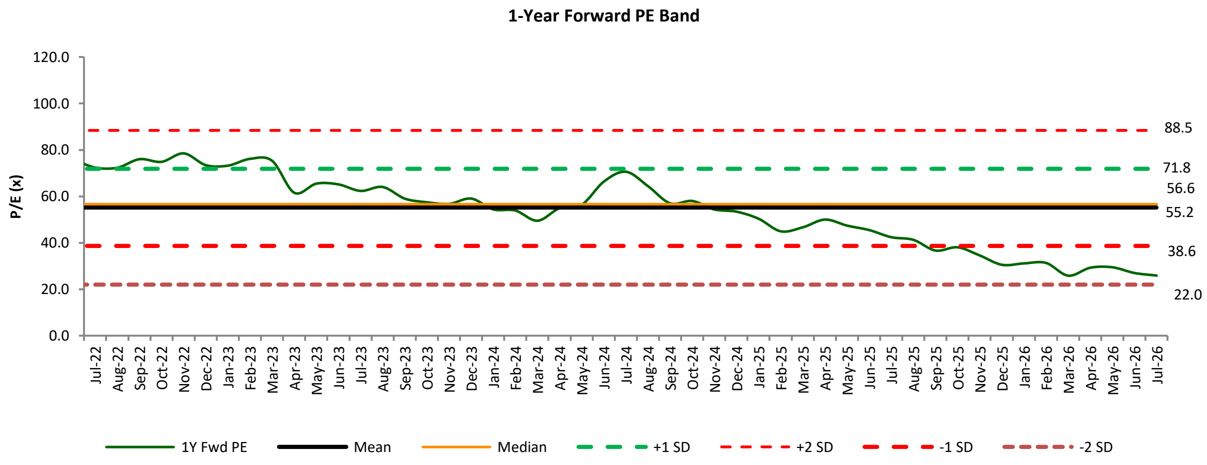
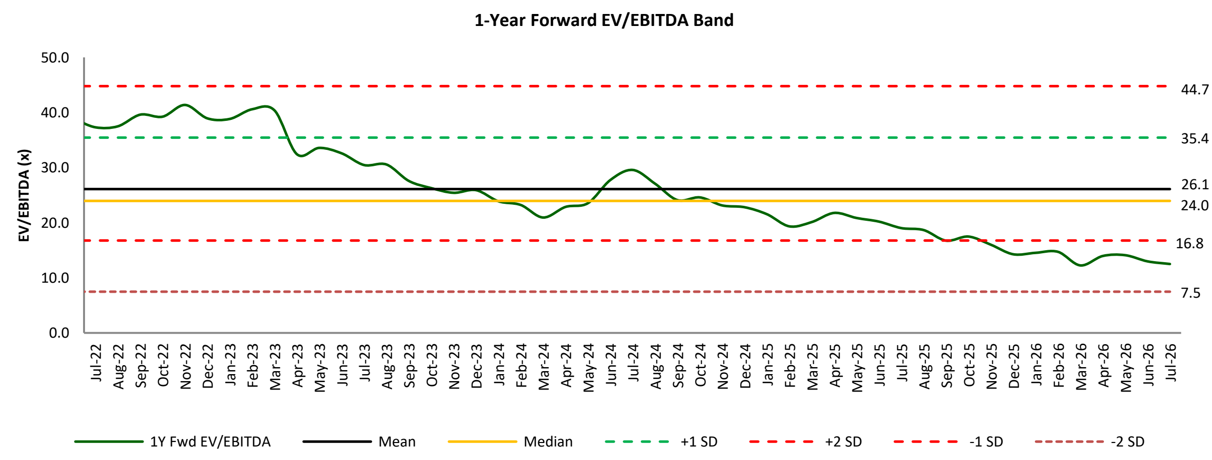


Exhibit 11: 1-year forward EV/EBITDA Band



Source: Company Reports, Arihant Capital Research

Sensitivity Analysis

Exhibit 12: Changes in revenue & EBITDA margin impact on PAT & EPS levels.

FY29E PAT (INR cr)

		EBITDA Margin (%)						
	187	7.0%	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%
Revenue (INR cr)	4,300	138	154	170	186	202	218	234
	4,400	143	159	176	192	208	225	241
	4,500	148	165	182	198	215	232	248
	4,600	154	171	188	205	222	239	256
	4,700	159	176	194	211	228	246	263
	4,800	164	182	200	217	235	253	271
	4,900	169	187	205	224	242	260	278

FY29E EPS (INR)

		EBITDA Margin (%)						
	8.8	7.0%	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%
Revenue (INR cr)	4,300	6.5	7.2	8.0	8.7	9.5	10.2	10.9
	4,400	6.7	7.5	8.2	9.0	9.8	10.5	11.3
	4,500	7.0	7.7	8.5	9.3	10.1	10.9	11.6
	4,600	7.2	8.0	8.8	9.6	10.4	11.2	12.0
	4,700	7.4	8.3	9.1	9.9	10.7	11.5	12.3
	4,800	7.7	8.5	9.4	10.2	11.0	11.9	12.7
	4,900	7.9	8.8	9.6	10.5	11.3	12.2	13.0

Source: Company Reports, Arihant Capital Research

Exhibit 13: Changes in PE & EPS impact TP and changes in EV/EBITDA & EBITDA impact on TP.

FY29E Target Price (INR)

		PE (x)						
	263	22.5x	25.0x	27.5x	30.0x	32.5x	35.0x	37.5x
EPS (INR)	6.0	135	150	165	180	195	210	225
	7.0	158	175	193	210	228	245	263
	8.0	180	200	220	240	260	280	300
	9.0	203	225	248	270	293	315	338
	10.0	225	250	275	300	325	350	375
	11.0	248	275	303	330	358	385	413
	12.0	270	300	330	360	390	420	450

FY29E Target Price (INR)

		EV/EBITDA (x)						
	263	10.0x	12.5x	15.0x	17.5x	20.0x	22.5x	25.0x
EBITDA (INR cr)	250	117	146	175	205	234	263	292
	300	140	175	210	246	281	316	351
	350	164	205	246	287	328	369	410
	400	187	234	281	328	374	421	468
	450	210	263	316	369	421	474	527
	500	234	292	351	410	468	527	585
	550	257	322	386	451	515	579	644

Source: Company Reports, Arihant Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR cr)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	2,529	2,812	3,094	3,326	3,696	4,097	4,569
Net Raw Materials	1,824	1,957	2,100	2,290	2,567	2,843	3,169
Employee Cost	193	259	306	308	328	359	396
Other Expenses	361	452	484	499	519	574	637
EBITDA	**151**	**144**	**204**	**229**	**282**	**321**	**367**
EBITDA Margin (%)	**6.0%**	**5.1%**	**6.6%**	**6.9%**	**7.6%**	**7.8%**	**8.0%**
Depreciation	(54)	(59)	(79)	(77)	(87)	(97)	(107)
Interest expense	(22)	(23)	(24)	(23)	(28)	(27)	(27)
Other income	27	16	12	10	15	17	19
Profit before tax	**102**	**96**	**112**	**129**	**178**	**214**	**252**
Taxes	(26)	(21)	(29)	(33)	(46)	(55)	(65)
PAT	**76**	**75**	**83**	**96**	**132**	**158**	**187**
PAT Margin (%)	**3.0%**	**2.7%**	**2.7%**	**2.9%**	**3.6%**	**3.9%**	**4.1%**
Other Comprehensive income	1	1	1	0	-	-	-
Net profit	**76**	**77**	**84**	**96**	**132**	**158**	**187**
EPS (INR)	3.6	3.6	3.9	4.5	6.2	7.4	8.8

Source: Company Reports, Arihant Capital Research

Balance sheet summary

Y/e 31 Mar (INR cr)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity capital	21	21	21	21	21	21	21
Reserves	563	618	673	739	827	932	1,057
Net worth	**585**	**639**	**694**	**760**	**848**	**954**	**1,078**
Provisions	50	51	58	81	20	22	25
Debt	139	157	86	160	150	148	146
Other non-current liabilities	11	9	5	2	18	20	23
Total Liabilities	**784**	**855**	**844**	**1,003**	**1,037**	**1,144**	**1,272**
Fixed assets	127	140	366	340	361	368	367
Capital Work In Progress	83	223	5	8	5	5	6
Other Intangible assets	22	17	13	10	10	10	10
Investments	15	18	17	15	22	25	27
Other non current assets	133	125	103	115	129	143	160
Net working capital	**238**	**227**	**267**	**414**	**413**	**439**	**470**
Inventories	285	315	430	426	492	537	590
Sundry debtors	372	472	518	621	628	685	751
Other current assets	63	36	29	31	30	34	38
Sundry creditors	(453)	(544)	(600)	(601)	(664)	(734)	(817)
Other current liabilities & Prov	(28)	(52)	(111)	(63)	(74)	(82)	(91)
Cash	164	66	55	33	20	72	155
Other Financial Assets	2	40	19	68	78	82	78
Total Assets	**784**	**855**	**844**	**1,003**	**1,037**	**1,144**	**1,272**

Source: Company Reports, Arihant Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR cr)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Profit before tax	102	96	112	129	178	214	252
Depreciation	54	59	79	77	87	97	107
Tax paid	(26)	(21)	(29)	(33)	(46)	(55)	(65)
Working capital Δ	53	11	(39)	(147)	2	(27)	(31)
Operating cashflow	**182**	**145**	**123**	**26**	**221**	**229**	**263**
Capital expenditure	(119)	(211)	(88)	(55)	(105)	(105)	(106)
Free cash flow	**63**	**(66)**	**35**	**(29)**	**116**	**123**	**157**
Equity raised	10	11	4	2	(0)	-	0
Investments	(5)	(3)	1	2	(7)	(2)	(3)
Others	(43)	(25)	47	(58)	(24)	(18)	(12)
Debt financing/disposal	38	18	(70)	74	(10)	(2)	(2)
Dividends paid	(42)	(32)	(32)	(32)	(44)	(53)	(62)
Other items	(6)	(1)	3	19	(44)	4	5
Net Δ in cash	**14**	**(98)**	**(12)**	**(22)**	**(13)**	**52**	**83**
Opening Cash Flow	**151**	**164**	**66**	**55**	**33**	**20**	**72**
Closing Cash Flow	**164**	**66**	**55**	**33**	**20**	**72**	**155**

Source: Company Reports, Arihant Capital Research

Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Growth matrix (%)							
Revenue growth	3.3%	11.2%	10.0%	7.5%	11.1%	10.8%	11.5%
Op profit growth	-34.7%	-4.4%	41.1%	12.4%	23.3%	13.7%	14.4%
Profitability ratios (%)							
OPM	6.0%	5.1%	6.6%	6.9%	7.6%	7.8%	8.0%
Net profit margin	3.0%	2.7%	2.7%	2.9%	3.6%	3.9%	4.1%
RoCE	12.6%	9.7%	12.0%	13.1%	15.4%	16.7%	17.5%
RoNW	13.5%	12.3%	12.5%	13.2%	16.4%	17.6%	18.4%
RoA	9.7%	8.8%	9.9%	9.6%	12.7%	13.8%	14.7%
Per share ratios (INR)							
EPS	3.6	3.6	3.9	4.5	6.2	7.4	8.8
Dividend per share	2.0	1.5	1.5	1.5	2.1	2.5	2.9
Cash EPS	6.1	6.3	7.6	8.1	10.3	12.0	13.8
Book value per share	27.5	29.9	32.5	35.6	39.7	44.7	50.5
Valuation ratios (x)							
P/E	47.7	47.7	43.6	38.0	27.7	23.0	19.5
P/CEPS	28.1	27.2	22.5	21.1	16.6	14.3	12.4
P/B	6.2	5.7	5.3	4.8	4.3	3.8	3.4
EV/EBITDA	23.8	25.8	18.0	16.4	13.3	11.5	9.8
Payout (%)							
Dividend payout	56.0%	42.5%	38.5%	33.4%	33.4%	33.4%	33.4%
Tax payout	25.6%	21.8%	25.9%	25.9%	25.8%	25.8%	25.8%
Liquidity ratios							
Debtor days	57	55	58	63	62	58	57
Inventory days	61	56	65	68	65	66	65
Creditor days	69	68	72	71	68	68	67
WC Days	49	43	51	60	59	57	55
Leverage ratios (x)							
Interest coverage	4.4	3.7	5.1	6.7	6.9	8.2	9.7
Net debt / equity	-0.0	0.1	0.0	0.2	0.2	0.1	-0.0
Net debt / op. profit	-0.2	0.6	0.2	0.6	0.5	0.2	-0.0

Source: Company Reports, Arihant Capital Research

Story in Charts

Exhibit 14: Revenue growth is expected to grow at CAGR of 11.2% over the period of FY26-29E.

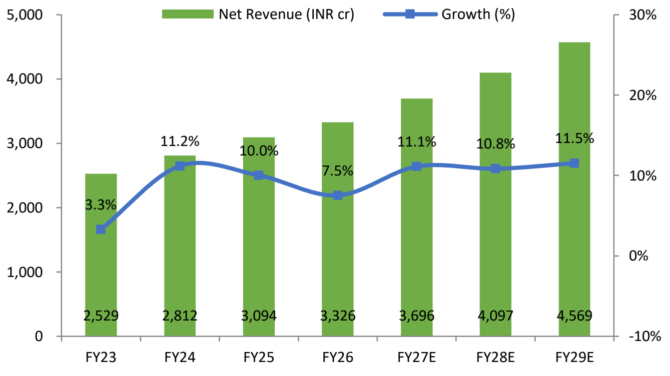


Exhibit 15: Gross Margins are expected to improve gradually supported by cost optimization, better realization and product mix.

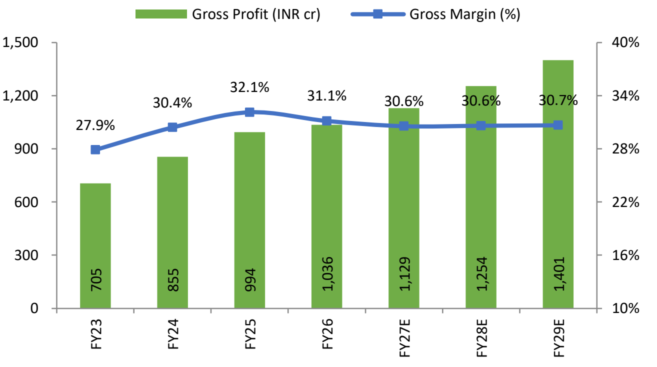


Exhibit 16: Rationalization of other expenses and cost savings will improve the EBITDA margin going forward.

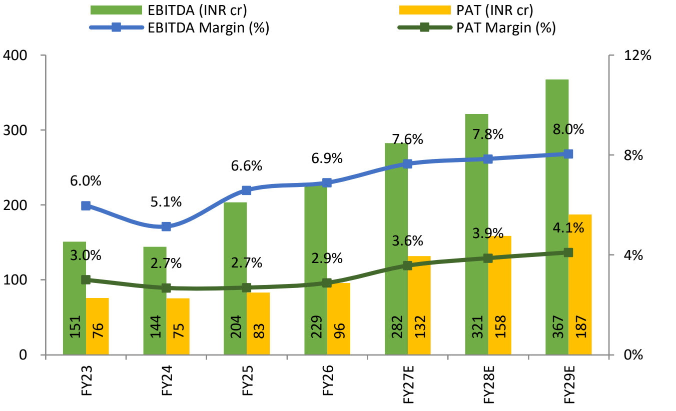


Exhibit 17: Return ratios is expected to improve.

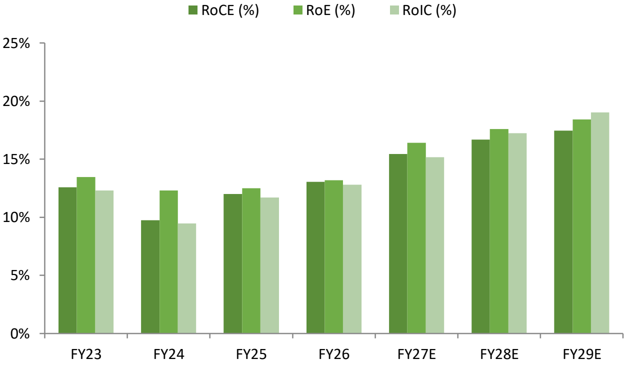


Exhibit 18: Working capital days to be improve

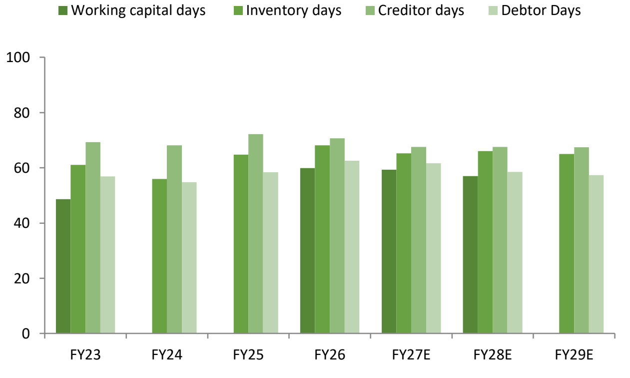
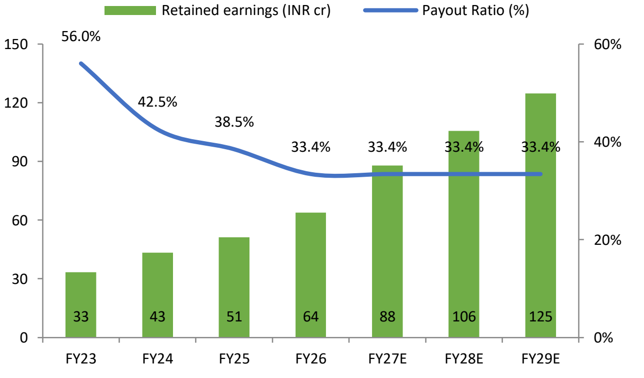


Exhibit 19: Dividend pay-out to be continue



Source: Company Reports, Arihant Capital Research

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ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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