Q4FY26 Result update
19th May 2026

Pitti Engineering Ltd

Continuing expansion to support growth.

CMP: INR 920

Rating: BUY

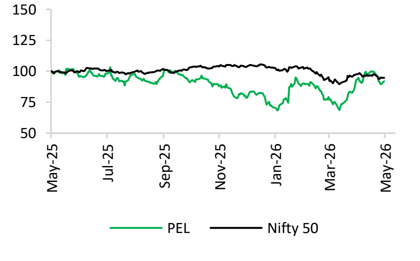
Target Price: INR 1,127

Stock Info	
BSE	513519
NSE	PITTIENG
Bloomberg	PITTIENG:IN
Reuters	PITE.NS
Sector	Capital Goods
Face Value (INR)	5
Equity Capital (INR cr)	18.8
Mkt Cap (INR cr)	3,465
52w H/L (INR)	1,070 / 675
Avg Yearly Volume (in 000')	54.2

Shareholding Pattern % *(As on Mar, 2026)*	
Promoters	54.17
DII	20.23
FII	1.12
Public & Others	24.49

Stock Performance (%)	3m	6m	12m
PEL	1.9	4.3	-8.3
NIFTY	-8.4	-8.7	-5.2

PEL vs Nifty



Abhishek Jain
Head of Research & Director
abhishek.jain@arihantcapital.com
022-67114871

Balasubramanian A
Senior Research Analyst
bala@arihantcapital.com
022-67114870

Pitti Engineering Ltd reported numbers, Q4FY26 revenue stood at INR 501cr (+6.9% YoY/+5% QoQ); below our estimates of INR 525cr. Gross Profit stood at INR 195cr (+4.2% YoY/+2.1% QoQ); below our estimates of INR 210cr. Gross margins contracted by 102bps YoY (down by 108bps QoQ) to 39% in Q4Y26. EBITDA stood at INR 82cr (+1.9% YoY/+0.9% QoQ); below our estimates of INR 89cr. EBITDA margin contracted by 79bps YoY (down by 66bps QoQ) to 16.3% in Q4FY26. PAT stood at INR 27cr (-26.5% YoY/-5.7% QoQ); below our estimates of INR 33cr. PAT margin contracted by 241bps YoY (down by 60bps QoQ) to 5.3% in Q4FY26.

Key Highlights

Strategic pivot to high-value engineering solutions: The company has transformed into an integrated engineering solutions provider, with capabilities in casting, machining, and high-value assemblies. The company is reducing low margin loose laminations (INR 15,000-18,000 EBITDA/MT) and focusing on integrated assemblies (up to INR 60,000 EBITDA/MT) and machined castings (INR 80,000-1,00,000 EBITDA/MT. The company is becoming a "one-stop shop" for global clients like Caterpillar, Siemens Mobility, and Wabtec.

Capacity expansion with a clear deleveraging path: The company is doing a capex of INR 290cr for greenfield expansion in Hyderabad. It's designed to double the casting capacity to 36,000MT and expand total machining hours to 10.8 lakh hours by FY30E. The capacity is targeted at large-scale castings for mining and data centers, which is expected to deliver superior EBITDA margins of 25%-28%. The greenfield facility asset turnover is around 1.2x, which leads to additional revenue of INR 300cr+, once the facility is completed. The company also plans to reduce net debt to INR 470cr in FY27E by freeing up INR 125cr from working capital. The combination of customer-led capacity expansion, increase in value-added products is expected to sustain growth going forward.

Focused on emerging high-growth segments and diversification: The company is strategically positioned to capture demand from both established industrial sectors and growing new markets. Traction motors and railway components contributes 33% of revenue, while power generation adds another 15%. Domestic railway capex witnessed moderation, and the company diversified through international locomotive and metro projects with global leaders such as Wabtec and Siemens Mobility. The company is aggressively penetrating the data center, which is a high-potential mid-term opportunity. The company is developing specialized housings and engine components for marquee clients like Caterpillar. The diversified presence across railways, mining, oil and gas, and data centers ensures that softness in any one area (eg, wind energy) can be effectively offset by strength in others.

Outlook & Valuation: Pitti Engineering is continuing capex to support growth, with INR 50cr (out of INR 150cr capex program) on track for completion in H1FY27E. At the same time, the larger INR 290cr greenfield facility in Hyderabad is scheduled for commissioning by Q1FY30E. The facility would double total casting capacity to 36,000 MT and is designed to achieve high-end EBITDA margins of 25%-28%. EBITDA margins are expected to be around 17%, supported by product mix toward high-value integrated offerings such as machined castings and assemblies. These products command superior margins of INR 80,000-1,00,000/MT compared to INR 15,000-18,000 MT for basic loose laminations. Railways demand remains stable, while emerging segments such as data centers are gaining momentum, and commercial revenues from marquee clients are expected from Q3FY27E. The company is focused on reducing net debt to INR 470cr through an INR 125cr release from working capital. The 33% tax rate would be a slight burden, and the company plans to maximize recovery through the Maharashtra state investment promotion subsidy, beginning in FY28E. At the CMP of INR 920 per share, we are maintaining a "BUY" rating at a TP of INR 1,127 per share; valued at a PE multiple of 25x and its FY28E EPS of INR 45.1; an upside of 22.5%.

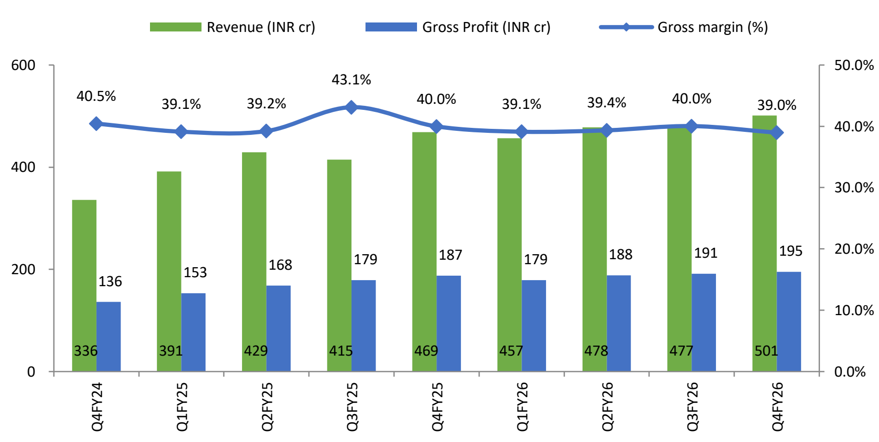
Q4FY26 Results

Exhibit 1: Income statement summary

Particular (INR cr)	Q4FY25	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Revenue	469	477	501	6.9%	5.0%
Net Raw Materials	281	286	306	8.7%	6.8%
Gross Profit	**187**	**191**	**195**	**4.2%**	**2.1%**
Gross Margin (%)	**40.0%**	**40.0%**	**39.0%**	**-102 bps**	**-108 bps**
Employee Cost	54	41	44		
Other Expenses	54	69	70		
EBITDA	**80**	**81**	**82**	**1.9%**	**0.9%**
EBITDA Margin (%)	**17.1%**	**16.9%**	**16.3%**	**-79 bps**	**-66 bps**
Depreciation	22	27	27		
Interest expense	19	21	22		
Other income	4	7	5		
Profit before tax	**42**	**40**	**37**		
Taxes	6	11	11		
PAT	**36**	**28**	**27**	**-26.5%**	**-5.7%**
PAT Margin (%)	**7.7%**	**5.9%**	**5.3%**	**-241 bps**	**-60 bps**
EPS (INR)	**9.6**	**7.5**	**7.1**		

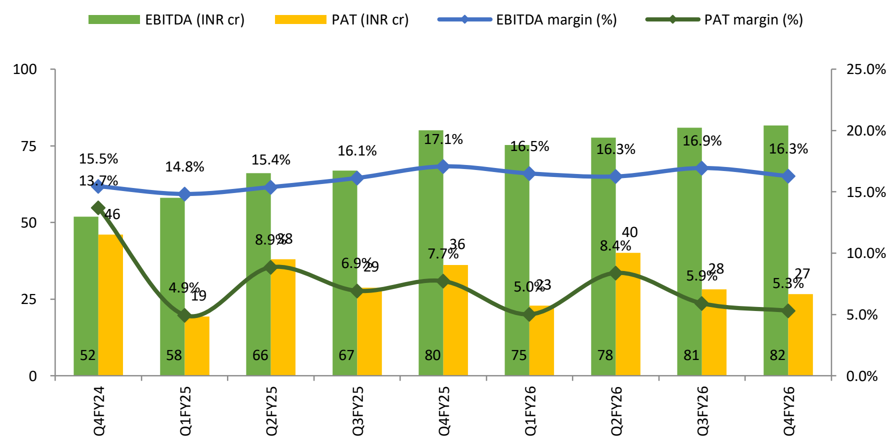
Source: Company Reports, Arihant Capital Research

Exhibit 2: Gross margins contracted by 102 bps (-108 bps QoQ) to 39% in Q4FY26, due to sharp fluctuations in commodity prices and foreign exchange rates.



Source: Company Reports, Arihant Capital Research

Exhibit 3: EBITDA margin contracted by 79 bps YoY (-66 bps QoQ) to 16.3% in Q4FY26, due to gross margin impact. The reduction in employee cost in-terms of sales partially offset the impact.



Source: Company Reports, Arihant Capital Research

Exhibit 4: Important details in-terms of guidance in Q4FY26.

Particular	Details
Revenue Guidance	The management guided INR 2,300cr revenue by FY27E.
Margin & EBITDA/MT	The company targets maintaining an EBITDA margin of 17% for FY27E. Profitability is highly dependent on the product mix; machine castings earn the highest margins at INR 80,000 to INR 1,00,000 per MT, while high-value assemblies earn between INR 30,000 and INR 60,000 per MT. In contrast, loose laminations and low-value assemblies typically yield INR 15,000 to INR 18,000 per MT. The new greenfield facility is expected to operate at significantly higher EBITDA margins of 25% to 28% once fully commissioned.
Capex	There is an ongoing capex of INR 50cr (the remainder of an INR 150cr program) which is expected to become operational by the end of H1FY27E. Additionally, a new INR 290cr greenfield facility has been announced for Hyderabad, with 30% allocated to land and infrastructure and 70% to plant and machinery. This facility is slated for commissioning by Q1FY30E to double casting capacity and increase machining hours to over 10.8 lakh.
Volume Targets	The company has set a sales target of 78,000MT for laminations and 16,000MT for machine components. The lamination volumes could reach 90,000MT by FY28E, consisting of 60,000MT of loose/low-value products and 30,000MT of high-value assemblies.
Debt Reduction	The company plans to reduce net debt from INR 570cr at the end of FY26 to INR 470cr in FY27E through an INR 125cr release from working capital. If no further capex is initiated for the lamination business, net debt is expected to drop to roughly INR 250cr by FY28E. Total borrowings stood at INR 698cr in FY26 with an average cost of 7% to 7.5%.
Inventory and Supply Chain	Inventory levels are expected to be maintained at the INR 390 to INR 400cr level to ensure supply chain resilience. The company has successfully diversified its raw material sources by securing supplies from Korea and Japan.
Raw Materials and Pricing	The company utilizes a quarterly price pass-through mechanism for both commodity and currency fluctuations with its international and domestic clients. This mechanism involves a one-month lag, allowing the company to liquidate existing inventory at the previous quarter's pricing before new rates take effect. Because of these contracts, management does not feel the need to engage in commodity hedging.
Working Capital and Asset Turn	The upcoming greenfield facility is expected to be working capital intensive, requiring between 90 and 120 days of net working capital. The company targets an asset turnover ratio of 1.2x for this new investment.
Taxation and Subsidies	The sustainable effective tax rate is expected to remain around 30%-33% for the next few years due to deferred tax adjustments related to ESOP costs and depreciation differences. To offset costs, the company intends to begin claiming the Maharashtra state investment promotion subsidy from FY28E onwards, aiming to recover a significant portion of its INR 400cr investment in the Aurangabad facility.

Source: Company Reports, Arihant Capital Research

Exhibit 5: Sheet metal capacity from 90,000 MT to 1,08,000 MT is expected to be online by end of H1FY27E. Blended capacity utilization is expected to moderate in FY27E and expected to reach around 80% by FY28E.

Pitti Engineering	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Installed Capacity - Hyderabad plant	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Installed Capacity - Aurangabad plant	26,000	26,000	36,000	40,200	46,000	62,000	80,000	98,000	98,000
Total Installed Capacity (MTPA)	**36,000**	**36,000**	**46,000**	**50,200**	**56,000**	**72,000**	**90,000**	**1,08,000**	**1,08,000**
Machine Shop (Hours per Annum)	2,47,600	3,62,800	4,03,200	4,60,800	4,60,800	6,33,600	7,20,000	7,20,000	7,20,000
Production - Lamination (MT)	21,435	21,708	32,080	35,803	40,852	48,679	68,400	78,840	86,400
Sales (MT)	22,122	21,561	31,945	36,297	42,305	48,679	63,010	76,475	85,536
Sales/Production (%)	103%	99%	99.6%	101.4%	103.6%	100.0%	92.1%	97.0%	99.0%
Capacity Utilization (%)	**59.5%**	**60.3%**	**69.7%**	**71.3%**	**73.0%**	**67.6%**	**76.0%**	**73.0%**	**80.0%**
Sales (INR cr)	**525**	**518**	**954**	**1,100**	**1,202**	**1,524**	**1,590**	**1,968**	**2,246**
EBITDA (INR cr)	**78**	**78**	**133**	**151**	**178**	**247**	**316**	**384**	**437**
EBITDA Margin (%)	14.8%	15.1%	13.9%	13.8%	14.8%	16.2%	19.8%	19.5%	19.5%
Blended Sales Realization (per MT)	2,37,349	2,40,326	2,98,583	3,03,103	2,84,032	3,13,170	2,52,343	2,57,389	2,62,537
Blended EBIDTA (per MT)	35,131	36,197	41,516	41,707	42,007	50,741	50,077	50,260	51,080

Bagadia Chaitra Industries	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Capacity (MTPA)					18,000	18,000	18,000	18,000	18,000
Sales (INR cr)		105	237	264	260	240	182	190	197
EBITDA (INR cr)		8	15	14	15	17	13	13	14
EBITDA margin (%)		7.3%	6.4%	5.3%	5.6%	7.2%	7.0%	7.0%	7.0%
Volumes (MT)					14,000	14,075	14,500	15,000	15,200
Capacity utilisation (%)					77.8%	78.2%	80.6%	83.3%	84.4%
Sales Realization (INR/MT)					1,85,714	1,70,515	1,25,565	1,26,821	1,29,357
EBITDA Realization (INR/MT)					10,357	12,291	8,790	8,877	9,055

Dakshin Foundry	FY24	FY25	FY26	FY27E	FY28E
Capacity (MTPA)	4,200	4,200	4,200	4,200	4,200
Sales (INR cr)	71	72	68	70	71
EBITDA (INR cr)	19	13	12	12	13
EBITDA margin (%)	26.3%	17.4%	17.0%	17.5%	18.0%
Volumes (MT)	2,939	3,224	3,150	3,255	3,276
Capacity utilisation (%)	70.0%	76.8%	75.0%	77.5%	78.0%
Sales Realization (INR/MT)	2,41,204	2,23,325	2,14,762	2,14,069	2,16,951
EBITDA Realization (INR/MT)	63,389	38,772	36,510	37,462	39,051

	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Revenue (INR cr)	**525**	**518**	**954**	**1,100**	**1,202**	**1,705**	**1,913**	**2,298**	**2,584**

Source: Company Reports, Arihant Capital Research

Q4FY26 Concall Highlights

Revenue

- The management guided INR 2,300 revenue in FY27E, supported by targeted lamination sales of 78,000MT and machine component sales of 16,000 MT.

Revenue mix

- Traction motors and railway components revenue share stood at 33% in FY26, followed by Power generation (15%), Industrial and commercial motors (13%), Special purpose motors (7%), Mining, Oil & Gas (6%), renewable energy (3%), and data centers (3%), etc.

Volumes

- Lamination and assembly volume stood at 69,500MT (+10% YoY) in FY26.

Utilization

- Sheet metal utilization stood at 76%, Machining utilization at 81%, and casting utilization at 71% in FY26.

- Sheet metal utilization stood at 80%, and machining utilization stood at 87% in FY26.

Realization

- Loose lamination realization stood at INR 1.7-1.8 lakh/MT, while high-value-added assemblies stood between INR 2.2-2.3 lakh/MT.

- Loose laminations and low-value-added assemblies EBITDA realization stood at INR 15,000-18,000/MT, and High value-added assemblies between INR 30,000-60,000/MT, while machine castings realizations are INR 80,000-1,00,000/MT.

Capex

- The company has completed INR 100cr, out of the INR 150cr capex program, and these capacities are expected to be operational by H1FY27E.

- A new greenfield capex of INR 290cr for the casting and machine component facility in Hyderabad. Around 30% allocated for land acquisition, and the remaining 70% for plant & machinery. The asset turn is expected to be 1.2x. EBITDA margins expected 25%-28%. The plant is expected to be operational by Q1FY30.

- The greenfield facility will double casting capacity to 36,000 MT and increase machine hours to 10.8 lakh machine hours. The facility targets mining, locomotive, data center, and power generation applications.

End-user applications

- Data centers are promising a mid-term growth opportunity with new customer additions across geographies.

- Wind energy moderated, while industrial motors and data centers showed robust growth.

- The lamination business remains steady due to demand from railways and the power sectors.

- Railways remain a key strategic focus with exposure across domestic and international locomotive and metro projects.

- In data centers, the company is developing products for global clients like Caterpillar. It's supplying direct engine-related components and indirect generator parts, with commercial revenues from new products expected in Q3FY27E.

Q4FY26 Concall Highlights

Debt

- Net debt stood at INR 570cr in FY26. The company is targeting to reduce to INR 470cr through working capital release of INR 125cr. If no additional lamination capex is initiated, net debt would drop to INR 250cr by FY28E.

- Borrowing stood at INR 698cr and the cost of borrowing stood at 7%-7.5% in FY26.

Working capital

- The company maintains inventory levels of INR 390cr to 400cr.

- The new greenfield project is expected to require 90 to 120 days of net working capital.

Exports

- Exports faced temporary headwinds in Q4FY26 due to West Asian shipping constraints and energy cost spikes, impacting INR 20cr of sales.

- India is increasingly viewed as a preferred alternative to China for low-cost engineering goods due to trade wars and duty structures, particularly in the US.

- Machine components are 80% towards exports.

Raw materials

- Chinese steel and BIS-related supply chain dynamics are managed through quarterly pass-through mechanisms.

Other highlights

- Dakshin Foundry's revenue stood at INR 67.65cr in FY26.

- The effective tax rate remains around 30-33% due to deferred tax adjustments related to ESOPs, hedge accounting, and depreciation differences.

- The company plans to utilize the Maharashtra state investment promotion subsidy starting in FY28E.

- ESOP costs stood at INR 10.3cr and are expected to taper off.

- Key growth drivers include data centers, railways, mining, locomotive, and power generation applications.

Sensitivity Analysis

Exhibit 6: Changes in revenue and EBITDA margin impact on PAT & EPS.

FY28E PAT (INR cr)

		EBITDA Margin (%)						
	170	16.0%	16.5%	17.0%	17.5%	18.0%	18.5%	19.0%
Revenue (INR cr)	2,300	124	131	139	147	154	162	170
	2,400	134	142	150	158	166	174	183
	2,500	145	153	162	170	178	187	195
	2,600	156	164	173	182	191	199	208
	2,700	166	175	185	194	203	212	221
	2,800	177	187	196	205	215	224	233
	2,900	188	198	207	217	227	236	246

FY28E EPS (INR)

		EBITDA Margin (%)						
	45.1	16.0%	16.5%	17.0%	17.5%	18.0%	18.5%	19.0%
Revenue (INR cr)	2,300	32.8	34.9	36.9	38.9	41.0	43.0	45.1
	2,400	35.7	37.8	39.9	42.1	44.2	46.3	48.5
	2,500	38.5	40.7	42.9	45.2	47.4	49.6	51.8
	2,600	41.3	43.7	46.0	48.3	50.6	52.9	55.2
	2,700	44.2	46.6	49.0	51.4	53.8	56.2	58.6
	2,800	47.0	49.5	52.0	54.5	57.0	59.5	62.0
	2,900	49.9	52.5	55.0	57.6	60.2	62.8	65.4

Source: Company Reports, Arihant Capital Research

Exhibit 7: Target Price range based on PE & EV/EBITDA.

FY28E Target Price (INR)

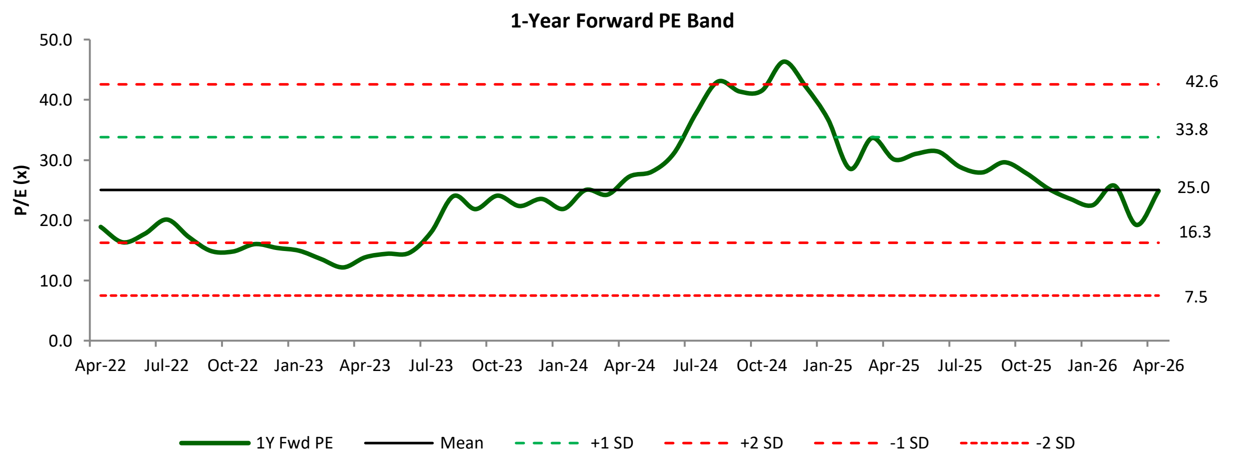
		PE (x)						
	1,127	15.0x	20.0x	25.0x	30.0x	35.0x	40.0x	45.0x
EPS (INR)	43.0	645	860	1,075	1,290	1,505	1,720	1,935
	44.0	660	880	1,100	1,320	1,540	1,760	1,980
	45.0	675	900	1,125	1,350	1,575	1,800	2,025
	46.0	690	920	1,150	1,380	1,610	1,840	2,070
	47.0	705	940	1,175	1,410	1,645	1,880	2,115
	48.0	720	960	1,200	1,440	1,680	1,920	2,160
	49.0	735	980	1,225	1,470	1,715	1,960	2,205

FY28E Target Price (INR)

		EV/EBITDA (x)						
	1,127	8.0x	9.0x	10.0x	11.0x	12.0x	13.0x	14.0x
EBITDA (INR cr)	380	931	1,032	1,132	1,233	1,334	1,435	1,536
	400	973	1,079	1,186	1,292	1,398	1,504	1,610
	420	1,016	1,127	1,239	1,350	1,462	1,573	1,685
	440	1,058	1,175	1,292	1,409	1,525	1,642	1,759
	460	1,101	1,223	1,345	1,467	1,589	1,711	1,833
	480	1,143	1,271	1,398	1,525	1,653	1,780	1,908
	500	1,186	1,318	1,451	1,584	1,717	1,849	1,982

Source: Company Reports, Arihant Capital Research

Exhibit 8: We assigned 25x PE (Mean of 1-Year Forward PE)



Source: Arihant Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR cr)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue	954	1,100	1,202	1,705	1,913	2,298	2,584
Net Raw Materials	678	782	806	1,017	1,160	1,393	1,566
Gross Profit	**276**	**318**	**396**	**688**	**753**	**905**	**1,019**
Gross Margin (%)	**28.9%**	**28.9%**	**32.9%**	**40.4%**	**39.4%**	**39.4%**	**39.4%**
Employee Cost	78	87	108	197	167	200	223
Other Expenses	65	80	110	220	271	321	358
EBITDA	**133**	**151**	**178**	**271**	**315.5**	**384**	**437**
EBITDA Margin (%)	**13.9%**	**13.8%**	**14.8%**	**15.9%**	**16.5%**	**16.7%**	**16.9%**
Depreciation	(39)	(45)	(54)	(81)	(105)	(132)	(142)
Interest expense	(40)	(45)	(50)	(68)	(83)	(72)	(76)
Other income	16	18	48	39	40	23	35
Profit before tax	**71**	**80**	**122**	**162**	**168**	**204**	**253**
Taxes	(19)	(21)	(32)	(39)	(50)	(67)	(84)
PAT	**52**	**59**	**90**	**122**	**118**	**136**	**170**
PAT Margin (%)	**5.4%**	**5.3%**	**7.5%**	**7.2%**	**6.2%**	**5.9%**	**6.6%**
Other Comprehensive income	0	(1)	(4)	(1)	(1)	-	-
Net profit	**52**	**58**	**86**	**122**	**117**	**136**	**170**
EPS (INR)	16.2	15.3	22.8	32.3	31.0	36.2	45.1

Source: Company Reports, Arihant Capital Research

Balance sheet summary

Y/e 31 Mar (INR cr)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity capital	16	16	16	19	19	19	19
Reserves	268	318	400	880	968	1,098	1,259
Net worth	**284**	**334**	**416**	**899**	**987**	**1,116**	**1,278**
Provisions	12	12	23	35	32	13	14
Debt	401	365	629	712	835	715	575
Other non-current liabilities	9	9	4	15	24	23	26
Total Liabilities	**706**	**720**	**1,072**	**1,660**	**1,878**	**1,867**	**1,893**
Fixed assets	228	279	334	766	882	900	865
Capital Work In Progress	1	24	118	63	50	7	8
Other Intangible assets	14	9	5	8	6	6	6
Goodwill	-	-	-	136	136	136	136
Investments	18	26	19	17	2	11	13
Other non current assets	108	98	147	159	157	184	194
Net working capital	**301**	**218**	**338**	**369**	**494**	**504**	**556**
Inventories	272	239	270	329	395	427	472
Sundry debtors	204	181	210	256	206	290	319
Loans & Advances	-	-	-	-	-	0.2	0.3
Other current assets	75	55	115	127	153	176	191
Sundry creditors	(220)	(251)	(228)	(331)	(243)	(367)	(400)
Other current liabilities & Prov	(30)	(7)	(30)	(13)	(17)	(23)	(26)
Cash	35	65	109	140	147	115	110
Other Financial Assets	1	1	1	2	5	5	5
Total Assets	**706**	**720**	**1,072**	**1,660**	**1,878**	**1,867**	**1,893**

Source: Company Reports, Arihant Capital Research

Du-Pont Analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Tax burden (x)	0.7	0.7	0.7	0.8	0.7	0.7	0.7
Interest burden (x)	0.8	0.7	1.0	0.8	0.8	0.8	0.9
EBIT margin (x)	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Asset turnover (x)	1.3	1.2	1.1	1.1	1.0	1.1	1.2
Financial leverage (x)	2.9	3.0	3.0	2.4	2.0	1.9	1.8
RoE (%)	**20.0%**	**19.0%**	**24.0%**	**18.6%**	**12.5%**	**13.0%**	**14.2%**

Source: Company Reports, Arihant Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR cr)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Profit before tax	71	80	122	162	168	204	253
Depreciation	39	45	54	81	105	132	142
Tax paid	(19)	(21)	(32)	(39)	(50)	(67)	(84)
Working capital Δ	(43)	83	(120)	(31)	(125)	(9)	(52)
Change in Goodwill	-	-	-	(136)	-	-	-
Operating cashflow	**48**	**187**	**24**	**36**	**97**	**259**	**259**
Capital expenditure	(73)	(119)	(203)	(458)	(207)	(107)	(108)
Free cash flow	**(26)**	**68**	**(179)**	**(422)**	**(110)**	**152**	**151**
Equity raised	0	(1)	(4)	365	(24)	-	-
Investments	77	(7)	7	2	15	(10)	(1)
Others	(97)	15	(46)	(14)	1	(27)	(11)
Debt financing/disposal	139	(37)	264	83	123	(120)	(140)
Dividends paid	(4)	(8)	(4)	(5)	(6)	(7)	(8)
Other items	(63)	0	6	22	6	(20)	4
Net Δ in cash	**26**	**30**	**44**	**31**	**6**	**(32)**	**(5)**
Opening Cash Flow	**9**	**35**	**65**	**109**	**140**	**147**	**115**
Closing Cash Flow	**35**	**65**	**109**	**140**	**147**	**115**	**110**

Source: Company Reports, Arihant Capital Research

Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Growth matrix (%)							
Revenue growth	84.1%	15.3%	9.2%	41.9%	12.2%	20.1%	12.5%
Op profit growth	69.9%	14.1%	17.4%	52.6%	16.4%	21.8%	13.7%
Profitability ratios (%)							
OPM	13.9%	13.8%	14.8%	15.9%	16.5%	16.7%	16.9%
Net profit margin	5.4%	5.3%	7.5%	7.2%	6.2%	5.9%	6.6%
RoCE	9.6%	12.8%	13.0%	14.3%	11.6%	10.0%	11.9%
RoNW	13.0%	20.0%	19.0%	24.0%	15.4%	13.0%	14.2%
RoA	4.9%	7.3%	8.2%	8.4%	6.3%	7.3%	9.0%
Per share ratios (INR)							
EPS	16.2	18.0	26.8	32.3	31.0	36.2	45.1
Dividend per share	1.2	2.3	1.2	1.4	1.5	1.8	2.3
Cash EPS	28.3	32.3	45.0	53.8	59.1	71.3	82.7
Book value per share	88.6	104.2	129.8	238.6	262.0	296.4	339.3
Valuation ratios (x)							
P/E	56.8	51.2	34.3	28.5	29.7	25.4	20.4
P/CEPS	32.5	28.5	20.5	17.1	15.6	12.9	11.1
P/B	10.4	8.8	7.1	3.9	3.5	3.1	2.7
EV/EBITDA	25.0	21.5	19.5	14.9	13.2	10.6	9.0
Payout (%)							
Dividend payout	7.3%	12.8%	4.2%	4.3%	4.8%	5.0%	5.0%
Tax payout	26.5%	26.4%	26.0%	24.3%	29.7%	33.0%	33.0%
Liquidity ratios							
Debtor days	72	64	60	50	44	39	43
Inventory days	116	119	115	108	114	108	105
Creditor days	72	91	85	71	66	58	65
WC Days	115	93	90	86	92	89	83
Leverage ratios (x)							
Interest coverage	2.4	2.4	2.5	2.8	2.5	3.5	3.9
Net debt / equity	1.3	0.9	1.2	0.6	0.7	0.5	0.4
Net debt / op. profit	2.8	2.0	2.9	2.1	2.2	1.6	1.1

Source: Company Reports, Arihant Capital Research

Story in Charts

Exhibit 9: Capacity expansion will lead to incremental revenue going forward.

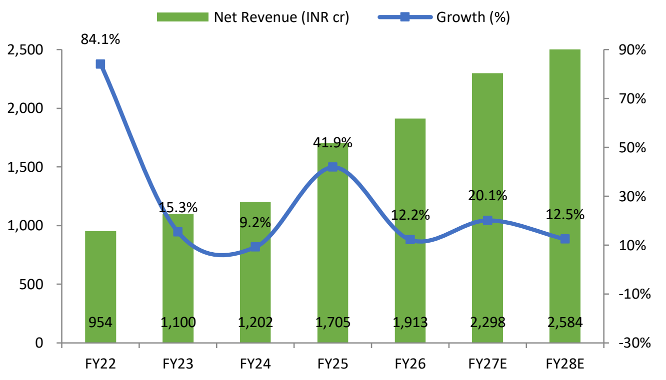


Exhibit 10: Gross margins are expected to stabilize going forward.

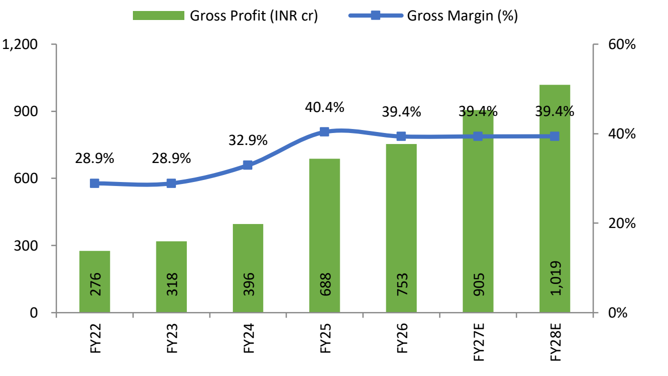


Exhibit 11: Growth in EBITDA & PAT levels

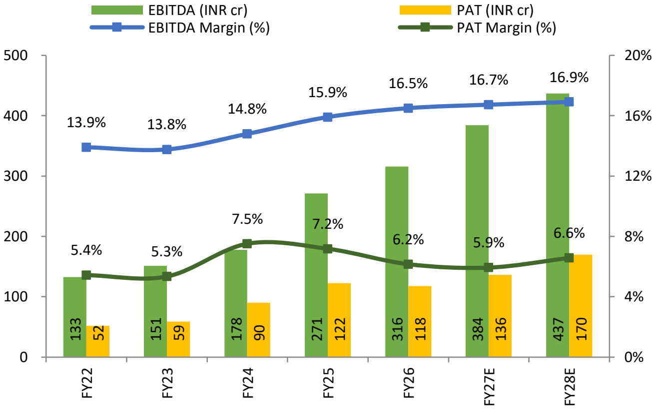


Exhibit 12: Return ratios to be improve

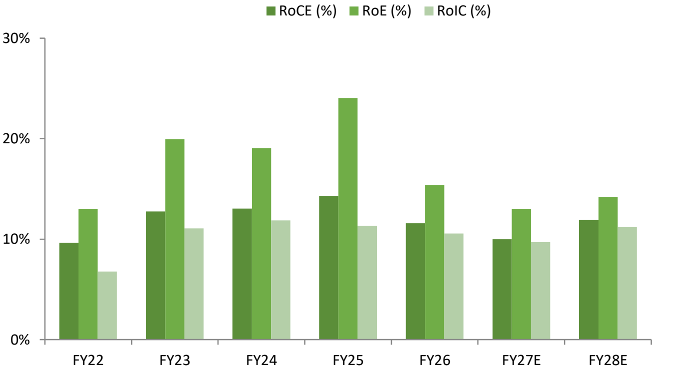


Exhibit 13: Working capital days to be improve

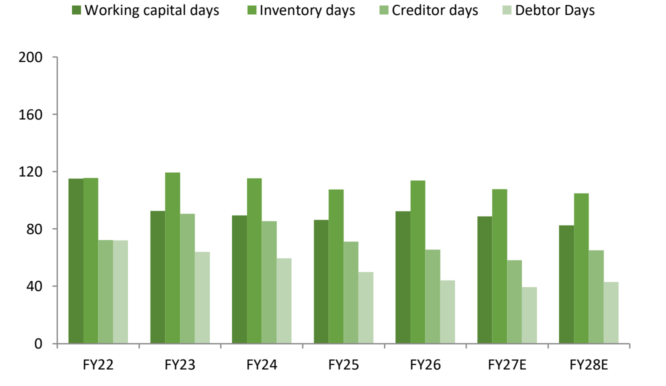
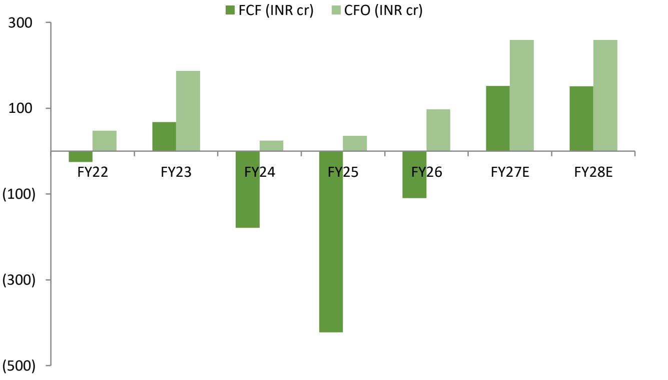


Exhibit 14: Cash flows to be improve



Source: Company Reports, Arihant Capital Research

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800	6 Lad Colony, Y.N. Road, Indore - 452003, (M.P.) Tel: (91-731) 4217100/101 CIN: L66120MP1992PLC007182

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800