

Gabriel India Ltd

Growth in sight, Valuations appear reasonable, Maintain BUY!

During the quarter, operational performance was slightly better than our estimates. The revenue growth was driven by healthy volume growth and strong performance across segments, including the aftermarket business. For FY26, all segments registered double-digit growth, outperforming underlying industry growth. The aftermarket and export segments witnessed a QoQ decline due to supply chain challenges arising from gas shortages, leading the company to strategically prioritize production for OEM customers. The SOP for the Hero business is expected around Q2FY27E, while discussions for additional business opportunities with the customer are ongoing. For FSD shock absorbers, development activities are underway with Tata Motors, alongside discussions with a couple of other customers. Sunroof business reported revenue dip of 7.5% on QoQ basis because of lower-than-expected sales in models of Kia Syros. For sunroof, beyond existing order wins from Korean customers, no new RFQs were secured during Q4. However, discussions continue with both existing and prospective customers. Management remains confident of acquiring new customers which will help to diversify itself from mere few customers currently, thereby leading to stronger growth. We model in volume growth estimate of ~18% CAGR from FY26-28E in the sunroof business. In the suspension (base) business, new business wins are contributing well to the volumes. Here, we are modelling CAGR growth of 11%/10% for 2W3W/PV from FY26-28E.

Outlook:

- The sunroof business's 12-14% EBITDA margin is sustainable in the long run, with a focus on localization and doubling capacity by adding a new line in the coming year.
- The outlook for high-margin exports is healthy.
- The company is on track to achieve a double-digit EBITDA margin at the standalone level over next couple of years.
- Recent merger, new JVs will further diversify companies' business for sole product to multiple businesses (fasteners, lubricants), which provides additional levers for growth.

We believe earnings growth will accelerate over the next three years, driven by increased scale, a favourable mix, improvements in the sunroof segment, stable commodity prices, and the benefits of the Core90 program. Apart from solar dampers, we have also incorporated new strategic acquisitions & recent JV with JINHAP Korea numbers into our estimates. In our last update, we had said the stock looks attractive & despite volatility led by West Asia tensions, the stock has seen decent upside from last quarter levels & we still see room on the upside. We value the stock on March 28E & assign 33x (earlier 30x) to EPS of Rs 39.7 & arrive at a target price of Rs 1,309 per share. **Maintaining our BUY rating on the stock.**

Q4FY26 – Better 2W/3W & CV segments

- Revenue in line with est., while EBITDA/Adj. PAT slightly above est. by ~2.5/2.2% respectively. Consolidated revenue at 12.1bn was largely in-line with estimates. The consolidated EBITDA margin stands at 9.3%, 14bps above expectations. Adj. PAT was slightly above est. by ~2.2% on better operational performance and higher other income.
- During the quarter, gross margins declined QoQ due to higher material costs and an adverse product mix. Commodity inflation is expected to continue exerting pressure, although cost recovery from customers across businesses is anticipated. Consolidated margin stood at 9.3%, slight 31bps higher than our estimates because of higher margins in sunroof business than estimates. The sunroof margins for the quarter stood at 14.6% in Q4FY26 vs 13.5% in Q3FY26.
- Q4FY26 market share in 2W/3W & CV has remained largely intact across segments. Gabriel's market share in 2W/3W & PV is 32%/25% in Q4FY26 (same as compared to last quarter). Also, CV market share remained intact at 88%.

Y/E Mar (Rs mn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	4QFY26e	Var (%)
Revenue	12,096	10,732	12.7	11,787	2.6	11,984	0.9
Gross margin (%)	25.3	26.2	(81) bps	26.1	(75) bps	-	-
EBITDA	1,130	1,088	3.9	1,069	5.7	1,102	2.5
EBITDA margin (%)	9.3	10.1	(80) bps	9.1	27 bps	9.2	14 bps
Other income	92	54	71.3	70	30.7	-	-
PBT	918	874	5.0	719	27.6	-	-
Taxes paid	253	231	9.7	173	46.5	-	-
Effective tax rate (%)	27.6	26.4	118 bps	24.0	356 bps	-	-
Reported PAT	665	644	3.3	547	21.6	654	1.7
PAT margin (%)	5.5	6.0	(50) bps	4.6	86 bps	5.5	4 bps
Adjusted PAT	668	644	3.8	647	3.4	654	2.2

Source: Company, SMIFS Research

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj PAT	YoY (%)	Adj EPS	RoE (%)	RoCE (%)	Adj P/E (x)	EV/EBITDA (x)
FY24	34,026	14.5	2,926	8.6	1,787	35.1	12.4	19.1	18.9	23.4	13.5
FY25	40,634	19.4	3,897	9.6	2,450	37.1	17.1	22.4	21.7	27.0	16.5
FY26	46,669	14.9	4,379	9.4	2,625	7.1	18.3	20.4	19.6	52.0	30.7
FY27E	60,300	29.2	6,271	10.4	5,661	115.7	31.9	36.5	22.5	35.4	31.3
FY28E	68,734	14.0	7,767	11.3	7,030	24.2	39.7	36.6	22.5	28.5	24.8

Source: Company, SMIFS Research Estimates



Rating: BUY **Return: ~16%**
Current Price: 1,130 **Target Price: 1,309**

Earlier recommendation

Previous Rating:	Buy
Previous Target Price:	1,297
Source: SMIFS Research	

Market data

Bloomberg:	GABR: IN
52-week H/L (Rs):	1386/582
Mcap (Rs bn/USD bn):	162/1.7
Shares outstanding (mn):	143.6
Free float:	44.0%
Daily vol. (3M Avg):	0.4mn
Face Value (Rs):	1.0
Source: SMIFS Research	

Shareholding pattern (%)

	Mar-26	Dec-25	Sep-25	Jun-25
Promoter	55.0	55.0	55.0	55.0
FIIs	6.6	6.5	6.5	6.0
DIIIs	16.3	16.2	15.7	15.0
Public/others	22.1	22.3	22.8	24.0
Source: SMIFS Research				

Pro. Pledging

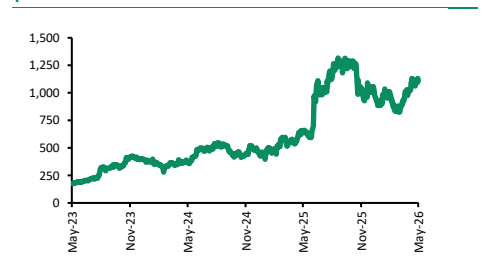
	Mar-26	Dec-25	Sep-25	Jun-25
Promoters pledged shares	0.0	0.0	0.0	0.0
Source: BSE				

Price performance (%) *

	1M	3M	12M	36M
Nifty 50	-0.8	-5.1	-3.7	29.2
Nifty 500	0.6	-0.9	0.7	46.3
GABR	11.4	13.1	74.1	553.9

*as on 27th May'26; Source: AceEquity, SMIFS Research

3 Year Price Performance Chart



Source: NSE

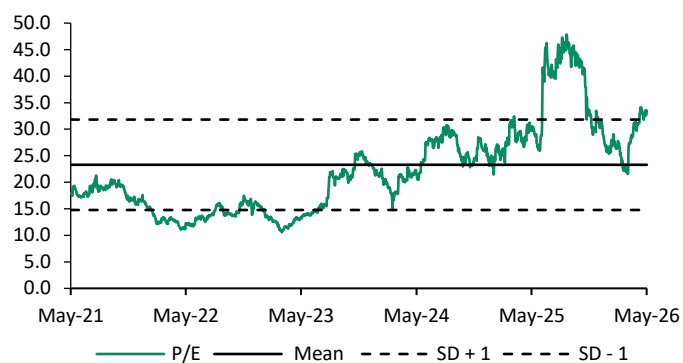
Aditya Khetan
 Sector Lead – Auto & Ancillary
 +91 9004126470/ 022-4200 5512
aditya.khetan@smifs.co.in

Niraj Vajifdar
 Research Associate- Auto & Ancillary
 +91 9987 445430/022 42005516
niraj.vajifdar@smifs.com

Outlook and valuations

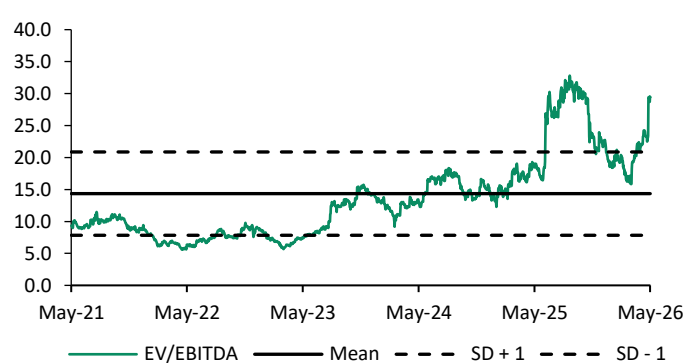
- We are highly confident in the company's competitive position, bolstered by its key clients gaining market share, new growth avenues through entry into the automotive sunroof segment, and strengthened efforts in the aftermarket, exports, and railways.
- Gabriel is well-positioned for mid-to-long-term growth opportunities, having begun adding new products and applications such as sunroofs, solar dampers, eBike suspension, and more to come. The company is net debt-free and has consistently generated strong positive cash flows over the past twelve years.
- The recent strategic acquisitions & restructuring of the group's entity is aimed at consolidating automotive businesses under a single roof & driving growth going ahead. We have incorporated MMAS, strategic acquisitions & recent JV financial numbers in our FY27E estimates as per the acquisition timeline given by the management.
- We value the stock on March 28E & the stock is currently trading at a P/E of ~28.5 as on consolidated EPS of Rs 39.7 (Consolidating MMAS, strategic acquisitions, SK Enmove & recent JINHAP JV). We foresee further room on the upside. We upgrade our target multiple to 33x (from earlier 30x), arriving at a target price of Rs 1,309 per share, upside of ~16% from current valuations. Hence, we maintain our **BUY** rating on the stock.

Fig 1: 1-year forward P/E



Source: AceEquity, SMIFS research

Fig 2: 1-year forward EV/EBITDA



Source: AceEquity, SMIFS research

Fig 3: Changes in estimates

Rs (mn)	New Estimates		Old Estimates		Change (%)	
	FY27e	FY28e	FY27e	FY28e	FY27e	FY28e
Revenue	60,300	68,734	60,869	69,711	-0.9%	-1.4%
Gross profit	16,281	18,971	16,435	19,240	-0.9%	-1.4%
Gross margin (%)	27.0	27.6	27.0	27.6	0.0%	0.0%
EBITDA	6,271	7,767	6,330	7,877	-0.9%	-1.4%
EBITDA margin (%)	10.4	11.3	10.4	11.3	(0) bps	0 bps
PAT	5,661	7,030	6,280	7,663	-9.9%	-8.3%
EPS (Rs)	31.9	39.7	35.4	43.2	-9.9%	-8.3%

Source: Company, SMIFS Research

Q4FY26 – Key takeaways from the management call

Industry, new business wins and financials

- Domestic demand remained resilient despite geopolitical uncertainties, fuel price hikes, and commodity inflation. However, the ongoing West Asia conflict remains a key monitorable due to its potential impact on crude oil prices. Over the long term, the outlook for the auto industry remains positive, supported by policy reforms, infrastructure development, localization initiatives, and rising income levels.
- In Q4FY26, revenue growth was driven by healthy volume growth and strong performance across segments, including the aftermarket business. For FY26, all segments registered double-digit growth, outperforming underlying industry growth.
- The aftermarket and export segments witnessed a QoQ decline due to supply chain challenges arising from gas shortages, leading the company to strategically prioritize production for OEM customers. Nevertheless, management sees strong opportunities and expects continued growth in both segments.
- In MMAS, the company achieved a significant turnaround, reporting positive EBITDA. Plant operations have now stabilized, and the company is actively working on new RFQs to support future growth.
- The SOP for the Hero business is expected around Q2FY27, while discussions for additional business opportunities with the customer are ongoing. For FSD shock absorbers, development activities are underway with Tata Motors, alongside discussions with a couple of other customers.
- The company secured its first order for upside-down front forks for e-bikes from a European OEM, while discussions with other players remain ongoing. Additionally, its patented dropper post product, Supernova, has received strong recognition for its innovation.
- In solar dampers, the company secured three confirmed business wins, with products currently under validation and development stages with various customers.
- For semi-active suspension systems, development work has commenced with a two-wheeler customer following receipt of an LOI, while discussions with a passenger vehicle customer are progressing without a formal LOI yet. Margins in this segment are expected to be higher than the company's average margins..
- In Q4FY26, gross margins declined QoQ due to higher material costs and an adverse product mix. Commodity inflation is expected to continue exerting pressure, although cost recovery from customers across businesses is anticipated.
- Standalone business capex for FY26 stood at Rs. 1.8 bn, while planned capex for FY27E is estimated at Rs. 1.5–1.9 bn.

Sunroof Business

- Sunroof business revenue stood at ~Rs. 0.99 bn in Q4FY26, with EBITDA of Rs. 145 mn and EBITDA margin of 14.6%. For FY26, revenue stood at Rs. 4.34 bn with EBITDA of Rs. 654 mn and EBITDA margin of 15.1%. The company sold ~170k units during FY26.
- The QoQ revenue decline was primarily due to lower-than-expected sales of Kia Syros. Margin improvement was driven by higher royalty expenses in the previous quarter, along with operational efficiencies and sourcing benefits. Management believes margins are sustainable going forward.

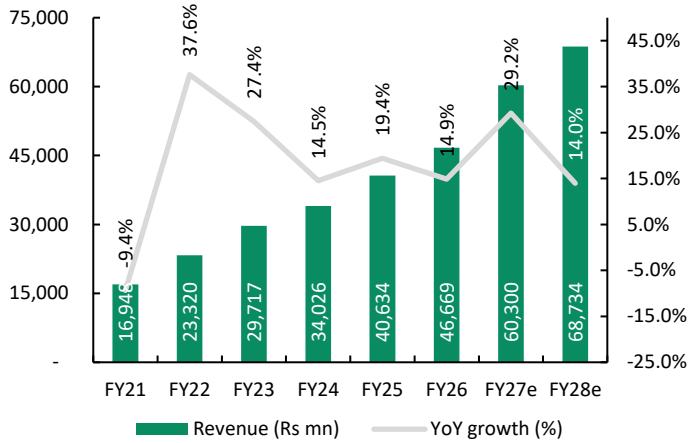
- Beyond existing order wins from Korean customers, no new RFQs were secured during Q4. However, discussions continue with both existing and prospective customers.
- Sunroof penetration is estimated to have reached ~24–25% in FY26.

Update on JVs.

- The company has received both NCLT and shareholder approvals for the scheme of arrangement related to restructuring of JVs, including Dana Anand, Henkel Anand, ACYM, and Anchemco. Remaining formalities are expected to be completed by end-June. The financials to be consolidated from Q1FY27 onwards.
- In the SK Enmove JV, sales generation commenced from Q4FY26, and the venture remains on track to achieve its first-year targets. The JV has also secured orders from a couple of customers.
- In the Jinhap JV, plant construction is progressing well and is expected to be completed by the end of September. SOP is targeted for Q3FY27, and the JV has already secured an order from a Korean customer.
- In Dana, the exports business remains a key focus area, with the ongoing shift of global Dana operations to India expected to continue supporting growth.

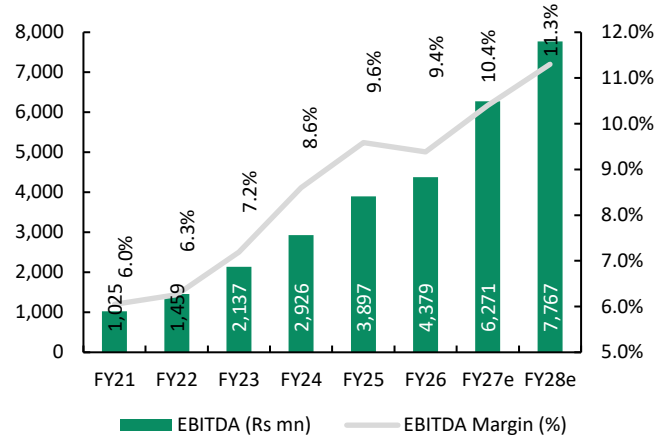
Key Charts

Fig 4: Revenue (in mn) & growth



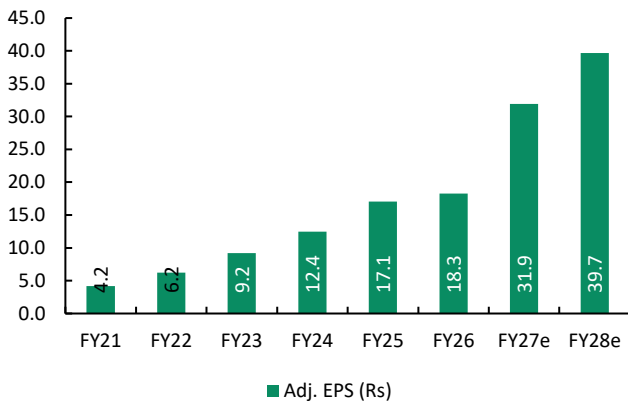
Source: Company, SMIFS research

Fig 5: EBITDA & margin (%)



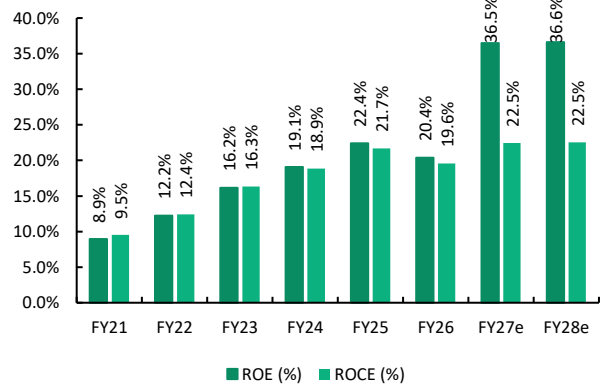
Source: Company, SMIFS research

Fig 6: Adj. EPS (in Rs)



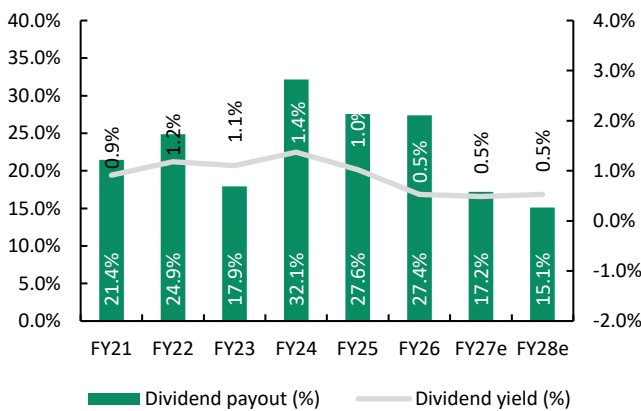
Source: Company, SMIFS research

Fig 7: ROE & ROCE trend (%)



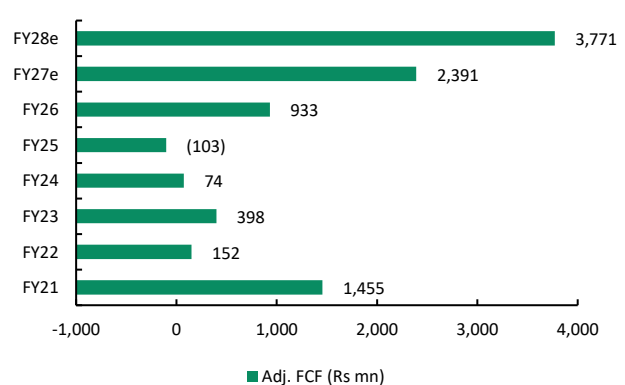
Source: Company, SMIFS research

Fig 8: Dividend payout & yield (%)



Source: Company, SMIFS research

Fig 9: Adj FCF (in mn)



Source: Company, SMIFS research

Recent Strategic Acquisition Highlights

Gabriel India announces strategic restructuring to consolidate business operations and drive future growth and competitiveness.

What is the scheme of arrangement?

The scheme will result into vesting or demerging of automotive business of Asia Investments Private Limited (AIPL) comprising business of Anchemco (engaged in manufacturing of brake fluids, radiator coolants, diesel exhaust fluid (DEF) / ad-blue, and PU/ PVC based adhesives) along with investments in Dana Anand India Private Limited, Henkel Anand India Private Limited and Anand CY Myutec Automotive Private Limited into Gabriel India Ltd.

What is the business of the target entity?

Asia Investments Private Limited (AIPL) is the investment arm of the Anand Group which holds multiple investments including subsidiaries, joint ventures, and interests in the group's hospitality business. Anchemco is engaged in the manufacturing and sale of automotive products such as brake fluid, radiator coolants, diesel exhaust fluid (DEF)/AdBlue for 2W, 3W, 4W, and truck applications, and PU/PVC-based adhesives.

What are the process timelines?

Step 1: 1st April 2025: Merger of Anchemco into AIPL.

Step 2: 1st April 2026: Demerger of AIPL (Business of Anchemco + Investments in ACYM, Dana Anand, Henkel Anand) into Gabriel india.

Step 3: Gabriel to issue shares to AIPL shareholders

What does the target company get?

Gabriel will issue 1,158 equity shares of Rs 1 each for every 1,000 equity shares of Rs 10 each to the shareholders of AIPL. There is no cash transaction involved.

What is the benefit to Gabriel India?

This arrangement will position Gabriel as a preferred global OEM partner, enhance its customer base, embrace futuristic cutting-edge technology and strengthen aftermarket presence through diverse product portfolio. This will accelerate profitable growth with better margins, creating substantial shareholder value through EPS accretion and higher return on equity. The scheme can lead to accretion in EPS by Rs 7 per share in FY25 along with improved cashflows leading to wealth creation for shareholders.

When is the scheme effective?

The demerger of AIPL into Gabriel India will be effective in ~10-12 months (subject to timely receipt of regulatory approvals).

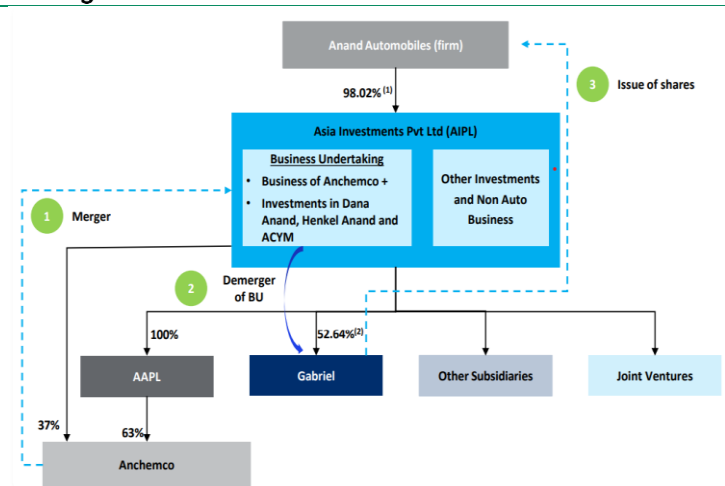
Rationale for the acquisition of new businesses?

Transformation of the company from single product suspension into a diversified, technology driven mobility solutions provider, reducing the product concentration risk by entry into newer segments 2.) Enable direct collaboration with foreign strategic partners for investment and development of new technologies. 3.) To achieve synergies through economies of scale & shared resources to drive future growth.

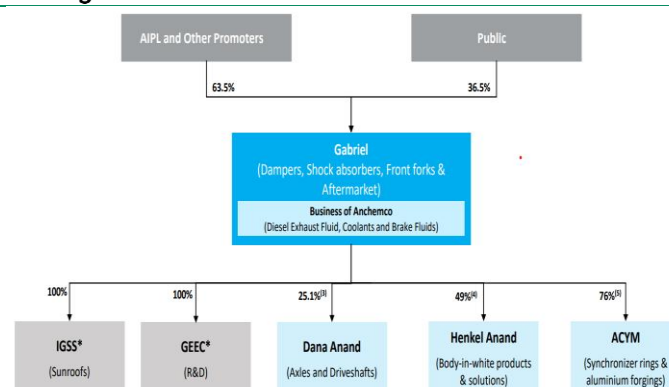
Fig 10: New acquired entity estimates

Particulars	FY25 PAT	Gabriels Stake	Actual Gabriels FY25 PAT	Share in PAT FY25	Gabriel FY27E PAT Share	Share in PAT FY27E
Dana Anand	3190	25.1%	801	44%	1016	43%
Henkel Anand	1610	49.0%	789	43%	1022	43%
Anand CY Myutec Auto	120	76.0%	91	5%	145	6%
Anchemo India	140	100.0%	140	8%	182	8%
Total	5060		1821	100%	2365	100%

Source: Company, SMIFS research

Fig 11: Transaction Mechanics


Source: Company Presentation, SMIFS research

Fig 12: Resultant Structure


Source: Company Presentation, SMIFS research

Fig 13: Detailed presentation of target entities

Particulars	Dana Anand	Henkel Anand	Anand CY Myutec Automotive	Anchemco India
Overview	Established in 1993, Dana Anand is a JV with Dana World Trade Corp USA	Henkel Anand India has a technical license agreement with Sunrise MSI Corporation Japan	Established in 1992 as a JV with CY Myutec, South Korea	Incorporated in 2010 as a strategic business unit of ANAND group.
Description	The company is involved in development and manufacturing drivetrain products including transmission for EVs and automotive OEMs of utility vehicles and commercial vehicles, off-highway and the related aftermarket segments	The company is a JV with Henkel KGaA, Germany and is a leading supplier of BIW (body in white) and NVH products and solutions to every major OEM in country	The company is primarily involved in manufacturing automotive synchronizer rings and aluminium forgings for passenger and commercial vehicle segments and 2 Wheelers	It is engaged in the business of manufacturing and sale of automobile products such as brake fluid, radiator coolants, diesel exhaust fluid (DEF) / Ad-blue for 2W, 3W, 4W and truck applications and PU / PVC based adhesives.
Plant Locations	Maharashtra, Karnataka, Uttarakhand and Haryana	Haryana and Tamil Nadu	Haryana and Rajasthan	Himachal Pradesh, Bihar, West Bengal, Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu
Employee Strength	2300	330	300	330
Key Customers	Tata Motors, Maruti, Mahindra, Ashok, VE Commercial	Tata Motors, Maruti, Mahindra, Hyundai & Kia	Tata Motors, Maruti, Mahindra, VE Commercial	Tata Motors, Dailmer & Mahindra
Shareholding Pre Merger	Dana World Trade Corp. USA: 75%, AIPL: 25.1%	Henkel AG Germany: 51%, AIPL: 49%	C Y Myutec: 24%, AIPL: 76%	AIPL: 37.1%, Anand Automotive Pvt Ltd: 62.9%
Financials as on FY25	Revenue: Rs 2670 crore EBITDA: Rs 428 crore, 16% Margins PAT: Rs 319 crore Net Worth: Rs 1001 crore Debt: Rs 9 crore Cash & Cash Equivalents: Rs 279 crore Net Cash: Rs 270 crore Debt/EBITDA: 0.02x ROE: ~32%	Revenue: Rs 890 crore EBITDA: Rs 227 crore, 26.5% Margins PAT: Rs 161 crore Net Worth: Rs 225 crore Debt: Rs 6 crore Cash & Cash Equivalents: Rs 91 crore Net Cash: Rs 85 crore Debt/EBITDA: 0.02x ROE: 71.5%	Revenue: Rs 204 crore EBITDA: Rs 25 crore, 12% Margins PAT: Rs 12 crore Net Worth: Rs 67 crore Debt: Rs 27 crore Cash & Cash Equivalents: Rs ~0 crore Net Debt: Rs 27 crore Debt/EBITDA: 1.1x ROE: ~18%	Revenue: Rs 329 crore EBITDA: Rs 38 crore, 11.6% Margins PAT: Rs 14 crore Net Worth: Rs 78 crore Debt: Rs 126 crore Cash & Cash Equivalents: Rs 1 crore Net Debt: Rs 125 crore Net Debt/EBITDA: 3.3x ROE: ~18%
Products	Axle: Rear and Front Axles, Transmission for EV Driveshaft: Propeller Shaft, Drivetrain components	BIW (Body In White) and NVH products and solutions: Anti-Vibration Pad, Direct Glazing Adhesive, Sealant and Coating, High Damping Foam, Pillar Filler, Reinforcement Structural Pad, Stiffening Foam, Structural Adhesive	Transmission Components & Forging: Brass Synchroniser Ring, Steel Synchroniser Ring, Aluminium forging	Coolants & Fluids: Brake fluids, Radiator coolants, Diesel exhaust fluids (DEF) / ad-blue, Polyurethane (PU) and Polyvinyl Chloride (PVC) adhesives

Source: Company, SMIFS Research

Quarterly financials, operating metrics and key performance indicators

Fig 14: Quarterly Financials

Y/E March (Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Sales	9,466	10,271	10,166	10,732	10,984	11,803	11,787	12,096
Raw Materials	7,024	7,603	7,557	7,925	8,033	8,705	8,711	9,030
Employee Costs	602	644	652	630	733	765	716	688
Other Expenditure	932	1036	1042	1089	1164	1205	1290	1249
EBITDA	907	987	915	1,088	1,053	1,128	1,069	1,130
Depreciation	188	194	194	237	250	251	255	246
Interest	22	20	30	30	29	28	32	53
Other Income	63	48	95	54	40	61	70	92
Exceptional Items	-	-	-	-	-	-	133	4
PBT	760	822	785	874	814	910	719	918
Tax	184	193	184	231	195	220	173	253
Tax rate (%)	24	23	23	26	24	24	24	28
Reported PAT	576	629	601	644	620	690	547	665
Adjusted PAT	576	629	601	644	620	690	647	669
YoY Growth (%)								
Revenue	17.5	18.8	24.7	17.0	16.0	14.9	15.9	12.7
EBITDA	32.4	33.7	30.3	35.1	16.0	14.3	16.8	3.9
PAT	37.1	35.8	45.7	31.2	7.6	9.7	7.6	3.9
QoQ Growth (%)								
Revenue	3.2	8.5	(1.0)	5.6	2.4	7.5	(0.1)	2.6
EBITDA	12.7	8.8	(7.3)	18.9	(3.2)	7.2	(5.3)	5.7
PAT	17.4	9.2	(4.5)	7.1	(3.7)	11.4	(6.3)	3.4
Margin (%)								
RMC/revenue (%)	74.2	74.0	74.3	73.8	73.1	73.8	73.9	74.7
Gross margin (%)	25.8	26.0	25.7	26.2	26.9	26.2	26.1	25.3
Employee cost/revenue (%)	6.4	6.3	6.4	5.9	6.7	6.5	6.1	5.7
Other expenses/revenue (%)	9.8	10.1	10.2	10.1	10.6	10.2	10.9	10.3
EBITDA margin (%)	9.6	9.6	9.0	10.1	9.6	9.6	9.1	9.3
PAT margin (%)	6.1	6.1	5.9	6.0	5.6	5.8	5.5	5.5

Source: Company, SMIFS Research

Financial Statements

Income Statement					
YE March (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Revenues	34,026	40,634	46,669	60,300	68,734
Raw Materials	25,518	30,109	34,479	44,019	49,763
% of sales	75.0	74.1	73.9	73.0	72.4
Personnel	2,123	2,529	2,902	3,799	4,261
% of sales	6.2	6.2	6.2	6.3	6.2
Manufacturing & Other	3,459	4,099	4,909	6,211	6,942
% of sales	10.2	10.1	10.5	10.3	10.1
EBITDA	2,926	3,897	4,379	6,271	7,767
Other Income	194	260	263	289	318
Depreciation &	599	813	1,001	1,095	1,183
EBIT	2,521	3,343	3,641	5,466	6,902
Finance cost	82	102	142	223	282
Core PBT	2,244	2,982	3,237	4,953	6,302
Exceptional item	-	-	138	-	-
PBT	2,438	3,242	3,362	5,243	6,620
Tax	651	792	840	1,421	1,794
Tax Rate (%)	26.7	24.4	25.0	27.1	27.1
PAT before JV/assoc. and MI	1,787	2,450	2,522	3,822	4,826
Share of JV/Assoc.	-	-	(0)	1,885	2,260
Share of MI	-	-	-	46	56
Consolidated PAT	1,787	2,450	2,522	5,661	7,030
Adjusted PAT	1,787	2,450	2,625	5,661	7,030

Source: Company, SMIFS Research

Key Ratios					
YE March	FY24	FY25	FY26	FY27E	FY28E
Growth Ratio (%)					
Revenue	14.5	19.4	14.9	29.2	14.0
EBITDA	36.9	33.2	12.4	43.2	23.8
PAT	35.1	37.1	7.1	115.7	24.2
Margin Ratios (%)					
Gross Margin	25.0	25.9	26.1	27.0	27.6
EBITDA Margin	8.6	9.6	9.4	10.4	11.3
EBIT Margin	7.4	8.2	7.8	9.1	10.0
Core PBT margin	6.6	7.3	6.9	8.2	9.2
Adjusted PAT Margin	5.3	6.0	5.6	9.4	10.2
Return Ratios (%)					
ROE	19.1	22.4	20.4	36.5	36.6
ROCE	18.9	21.7	19.6	22.5	22.5
Turnover Ratios (days)					
Gross block turnover ratio (x)	4.4	4.3	4.0	4.5	4.8
Adjusted OCF/PAT (in %)	94	79	126	60	68
Inventory	32	33	32	33	33
Debtors	53	54	53	54	54
Creditors	63	56	58	60	60
Cash Conversion Cycle	22	30	27	27	27
Solvency Ratio (x)					
Debt-equity	0.1	0.1	0.1	0.2	0.2
Net debt-equity	(0.2)	(0.2)	(0.1)	(0.2)	(0.4)
Gross debt/EBITDA	0.3	0.2	0.3	0.5	0.4
Current Ratio	1.6	1.7	1.8	2.0	2.3
Interest coverage ratio	31	33	26	24	24
Dividend					
DPS	4.0	4.7	5.0	5.5	6.0
Dividend yield %	1.4	1.0	0.5	0.5	0.5
Dividend payout %	32.1	27.6	27.4	17.2	15.1
Per share Ratios (Rs)					
Basic EPS (reported)	12.4	17.1	17.6	21.6	27.2
Adjusted EPS	12.4	17.1	18.3	31.9	39.7
CEPS	16.6	22.7	25.2	38.1	46.3
BV	69.8	82.4	96.9	96.5	120.1
Valuation (x)					
P/E	23.4	27.0	52.0	35.4	28.5
P/BV	4.2	5.6	9.8	11.7	9.4
EV/EBITDA	13.5	16.5	30.7	31.3	24.8
EV/Sales	1.2	1.6	2.9	3.3	2.8
Adj Mcap/Core PBT	17.3	21.3	41.1	39.0	30.0
Adj Mcap/Adj OCF	23.1	32.9	40.2	56.9	39.7

Source: Company, SMIFS Research

Balance Sheet					
YE March (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Sources of funds					
Capital	144	144	144	177	177
Reserves & Surplus	9,878	11,689	13,775	16,932	21,113
Shareholder's Funds	10,022	11,833	13,918	17,109	21,290
Total Loan Funds	750	691	1,481	2,981	3,281
Other non-current liabilities	271	286	464	300	301
Total Liabilities	11,042	12,810	15,863	20,391	24,872
Application of funds					
Gross Block	8,646	10,378	12,768	13,791	14,813
Net Block	5,426	6,411	7,808	7,736	7,575
Capital WIP	563	759	1,000	944	938
Quasi Cash Investments	0	0	0	0	0
Investments	11	16	168	169	171
Other Non-Current Assets	394	418	478	478	478
Inventories	3,015	3,639	4,094	5,452	6,214
Sundry Debtors	4,914	6,002	6,765	8,921	10,169
Current Investments	1,016	369	1,039	1,050	1,060
Cash and Bank balances	2,029	2,098	2,451	6,150	10,003
Other current Assets	426	531	493	639	797
Total Current Assets	11,401	12,639	14,842	22,211	28,244
Sundry Creditors	5,877	6,262	7,361	9,912	11,299
Other Current Liabilities	875	1,171	1,072	1,235	1,235
Total Current Liabilities	6,753	7,433	8,433	11,148	12,534
Net Current Assets	4,648	5,206	6,409	11,064	15,710
Total Assets	11,042	12,810	15,863	20,391	24,872

Source: Company, SMIFS Research

Cash Flow					
YE March (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Operating profit before WC changes					
Net chg in working capital	(498)	(1,319)	(141)	(1,236)	(920)
Income tax paid	(686)	(802)	(775)	(1,421)	(1,794)
Cash flow from operating activities (a)	1,766	2,038	3,453	3,614	5,052
Adjusted OCF	1,683	1,936	3,311	3,391	4,771
Capital expenditure	(1,610)	(2,039)	(2,378)	(1,000)	(1,000)
Adjusted free cash flow	74	(103)	933	2,391	3,771
Cash flow from investing activities (b)	(1,286)	(1,488)	(2,483)	(689)	(711)
Debt issuance (repayment)	220	(98)	498	1,500	300
Dividend paid	(453)	(610)	(695)	(975)	(1,063)
Interest and lease expenses	(46)	(102)	(142)	(223)	(282)
Cash flow from financing activities (c)	(279)	(809)	(189)	646	(627)
Net chg in cash (a+b+c)	201	(260)	781	3,571	3,715

Source: Company, SMIFS Research

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Contact us:

SMIFS Limited. (<https://www.smifs.com/>)

Compliance Officer:

Tamari Chatterjee,

5F Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: +91 33 4011 5414 / +91 33 6634 5414

Email Id.: compliance@smifs.com

Mumbai Office:

206/207, Trade Centre, Bandra Kurla Complex (BKC), Bandra East, Mumbai – 400051, India

Contact No.: (D) +91 22 4200 5508, (B) +91 22 4200 5500

Email Id: institutional.equities@smifs.com

Kolkata Office:

Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: (D) +91 33 6634 5466, (B) +91 33 4011 5466

Email Id: smifs.institutional@smifs.com