

# Jain Resource Recycling

BSE SENSEX  
77,304

S&P CNX  
24,093

**CMP: INR420 TP: INR560 (+33%)**

**Buy**



## Stock Info

	JAINREC IN
Bloomberg	JAINREC IN
Equity Shares (m)	345
M.Cap.(INRb)/(USDb)	144.9 / 1.5
52-Week Range (INR)	500 / 248
1, 6, 12 Rel. Per (%)	-15/14/-
12M Avg Val (INR M)	1238
Free float (%)	26.4

## Financials Snapshot (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	93.1	137.8	163.3
EBITDA	6.6	9.4	11.8
PAT	4.4	6.4	8.4
EBITDA (%)	7.1	6.8	7.2
EPS (INR)	12.8	18.6	24.4
EPS Gr. (%)	98.5	46.1	31.1
BV/Sh. (INR)	48.3	66.9	91.4

## Ratios

Net D/E	0.5	0.4	0.2
RoE (%)	36.8	32.4	30.9
RoCE (%)	22.7	22.4	23.4

## Valuations

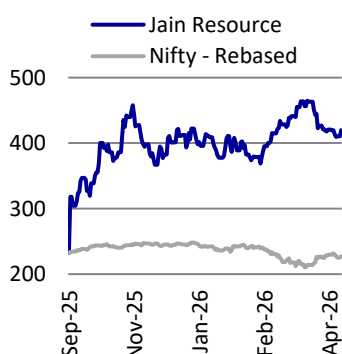
P/E (x)	32.9	22.5	17.2
EV/EBITDA (x)	23.3	16.4	12.9

## Shareholding pattern (%)

As On	Mar-26	Dec-25
Promoter	73.6	73.6
DII	10.1	8.7
FII	3.0	3.7
Others	13.3	14.0

FII Includes depository receipts

## Stock performance (one-year)



## A platform play on metals, recycling and green transition

Jain Resource Recycling (JAINREC) is one of India's largest non-ferrous metal recyclers, operating an integrated, multi-material processing platform. The growth story of JAINREC is fueled by its forward integration, potential 'greenium' benefits and diversification into critical metals.

- The copper supply gap is structurally widening, with demand expected to grow ~1.5x by 2040, while only ~70% of requirements may be met through mining by 2035. Long ~15-year new mine gestation periods and disruptions at key mines in Indonesia and Chile further constrain primary supply, accelerating reliance on recycled copper.
- In such a tightening supply scenario, JAINREC's forward integration into value-added copper products (Scrap → Ingots → Anodes → Cathodes → Wire Rods, Busbars, etc.) is strategically aligned with the fastest-growing new-age copper demand engines (AI-driven data centers and EVs), where the intensity of copper is high (EVs use 3-4x vs. ICE vehicles; data centers 30-45 MT/MW). This demand will be driven by rapid EV penetration globally (44% by CY35 vs. 22% in CY25) and India's data center expansion (4.5-6.5GW by 2030).
- Large OEMs indicate a shift in their policy toward green procurement, with players like Apple, Siemens and ABB willing to pay a premium for low-carbon inputs. This evolving preference is giving rise to 'greenium' (green premium), with institutions like the London Metal Exchange (LME) exploring differentiated pricing for low-carbon metals, which could provide additional realization upside.
- Beyond copper, JAINREC is de-risking growth through a multi-metal recycling strategy with an entry into critical metals such as tin (already operational) and antimony (under implementation), along with JV-led backward integration into scrap sourcing (US JV with C&Y) and battery recycling (Kuwait JV with Abraj Al Khaleej), which together strengthen feedstock security, improve supply stability and enhance per MT profitability.
- Overall, we like JAINREC for its structurally advantaged positioning amid tightening copper supply, emerging green metal pricing differentiation and growth de-risking through integration and diversification. We expect a CAGR of 32%/34%/38% in revenue/EBITDA/PAT over FY26-28E. We value the stock at 23x FY28E EPS to arrive at our TP of INR560 and reiterate our BUY rating.

## JAINREC aligned itself with future copper demand

- The global copper end-user demand landscape is shifting from traditional construction-heavy consumption toward electrical applications, driven by the energy transition (EVs, renewables) and digital infrastructure (AI, data centers). Among these, electrification and clean energy (EVs, renewables, grid) are already the largest incremental contributors.

- This shift is materially changing the end-use mix. **Clean energy applications alone are projected to account for ~61% of total copper consumption by 2040**, up sharply from ~25% today. At the same time, globally EV penetration is accelerating (est. ~44% by 2035 vs. 22% in 2025), with each EV using 3-4x more copper than ICE vehicles.
- With strong demand tailwinds as discussed above, the company is aligning itself to capture the growing copper demand by expanding its copper recycling capacity to 100k MT by FY28 from 83k MT today. This strategy is supported by a structural rise in copper demand (~1.5x by 2040) amid supply constraints (only ~70% met via mining by 2035), driving greater reliance on recycling.
- Further to improve its product mix, JAINREC is setting up value-added copper product capacity of 18k MT in FY27, which will be utilized to produce downstream products such as anode, cathode, busbar and wire rods, which are seeing increasing traction from new-age technologies.
- For instance, data centers are emerging as a powerful incremental demand driver. The rapid proliferation of AI and digital infrastructure is driving the need for highly reliable, low-loss power distribution systems, where **busbar trunking systems are increasingly preferred over conventional cabling due to superior scalability, safety and space efficiency**.
- As data centers scale up in both size and power density, their electrical architecture becomes significantly more copper-intensive, particularly in high-spec applications such as busbars and power distribution systems.
- In India, this trend is becoming increasingly visible. Data center capacity is expected to expand from ~1.7GW currently to ~4.5-6.5GW by 2030, with ~220MW of incremental capacity added in CY26 alone. Given copper intensity of ~30-45 MT/MW, this implies incremental copper demand of ~6.6-9k MT from CY26 additions alone, creating a strong and sustainable demand tailwind.
- As a result, downstream JAINREC's fabricated products such as wire rods (capacity 7.2k MT), busbars (capacity 6k MT) and cathode (capacity 18k MT) are witnessing disproportionate demand, with the **global busbar market itself projected to nearly double by 2035** (from USD15.7b to USD27.7b), driven by EVs and data centers (as per industry sources).
- **JAINREC's foray into value-added copper products such as cathodes, busbars and wire rods is a well-timed strategic move, as the evolving end-user demand mix, particularly the rise of EVs and data centers, structurally tilts in favor of these segments. We expect this value-added segment to contribute ~13% to revenue and 10% to EBITDA by FY28E.**

Top-quartile emissions (<2-3 tCO<sub>2</sub>/t for copper) refer to 25% of the global lowest-emission copper producers, indicating high carbon efficiency vs. industry averages. Top-quartile copper is critical for companies aiming to reduce supply chain emissions and meet sustainability targets.

### Large OEMs driving the shift toward green metals

- Green metal is defined as metal produced or recycled with low CO<sub>2</sub> intensity (e.g. top-quartile emissions such as <2-3 tCO<sub>2</sub>/MT for copper), high renewable energy usage (>70%), and strong recycling and responsible sourcing practices aligned with established frameworks.
- The rationale for green metal is also compelling, as recycled copper requires up to ~85% lower energy vs. primary production, which translates into significantly lower carbon emissions and makes it a preferred input for global OEMs seeking to reduce Scope 3 emissions.

**Scope 3 emissions** are indirect value chain gases generated from sources a company doesn't own or control, including suppliers (upstream) and customers (downstream). They often form the bulk of a business's carbon footprint.

- Importantly, large corporates such as Apple, Siemens and ABB are committed to procuring low-carbon materials even at a premium, which indicates acceptability of green metal at a premium.
- Effective Apr'26, EPR norms in India mandate producers to ensure recycling of non-ferrous metal scrap and meet targets. This, alongside potential recycled content mandates and favorable treatment for low-carbon metals in export markets, further confirms the differentiated treatment of green metal. (refer Exhibit 9)
- Here, JAINREC benefits from a strong intrinsic advantage, as recycled metals have only ~1-10% of the carbon footprint of primary metals, positioning the company favorably as customers increasingly prioritize low-emission supply chains; further their setup of scrap to cathode to finished products enables traceability and certification of green copper.
- The use of renewable energy (including captive solar power) in its operations further reduces carbon footprint, allowing JAINREC to offer near-zero emission copper products while retaining cost competitiveness, creating a differentiated “green + low-cost” positioning vs. peers, especially in export markets (by avoiding carbon-related tariffs and meeting stringent ESG norms).
- **Overall, strong OEM demand, regulatory support and premiumization of low-carbon materials position JAINREC to benefit from the shift toward green metals and provide better realizations.**

#### JAINREC positioned to capture potential ‘greenium’ upside

- JAINREC’s new plant is India’s first green copper cathode plant because of its scrap-based, renewable-powered production process. Through this downstream copper project at Jain Green Technologies (Unit 3), the company is extending its integration across the value chain, from scrap to anodes and onward to finished copper products.
- The emerging concept of a ‘greenium’, with institutions like **LME exploring differentiated pricing for low-carbon metals**, could provide additional realization upside and support a shift from pure commodity pricing to quality-linked pricing, particularly for cathodes and downstream products.
- At the operational level, the Unit 3 project represents a significant forward integration step, with phased capacity additions across the value chain. Copper anodes are expected to scale up to 1,600 MT/month (Phase 1 commissioned in 4QFY26 and Phase 2 in 1QFY27), while copper cathodes would reach 1,500 MT/month (with commissioning in 1QFY27 and ramp-up by 3QFY27), supported by downstream capacity of ~600 MT/month in wire rods and ~500 MT/month in busbars and profiles, enabling JAINREC to capture higher value addition beyond primary refining.
- JAINREC’s ability to offer traceable, low-carbon copper (from scrap to ingots to finished products) positions it favorably with global OEMs seeking to reduce Scope 3 emissions, thereby enhancing its potential to command a ‘greenium,’ as similar premiumization trends have already been observed in rPET.
- **We believe the plant’s fully integrated setup from scrap processing to electrolytic refining (~21-day cathode cycle) and downstream fabrication reduces dependence on external intermediates, improves conversion margins and ensures tighter control over quality and specifications.**

**Sec 232:** Starting Apr'26, the US has replaced metal-content duties with a tiered system ranging from 15% to 50% applied to a product's full invoice value. This shift significantly raises costs for industrial and downstream goods, though exemptions exist for products with less than 15% metal weight or those using U.S.-origin materials.

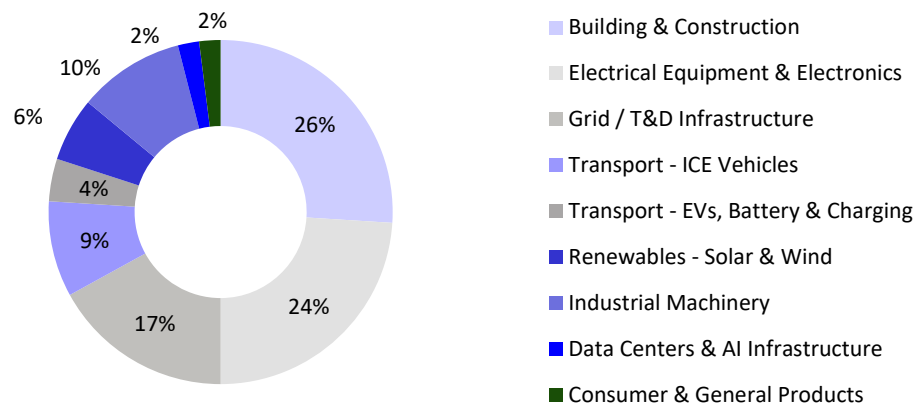
### De-risking growth through backward integration and diversification

- JAINREC's strategy is evolving beyond traditional base metals into a multi-metal recycling platform, with its entry into critical metals such as tin (already operational) and antimony (under implementation), enabling diversification supply-constrained segments (geopolitical concentration in China).
- Both tin and antimony command materially higher per-unit realizations (tin: INR4.3m per MT; antimony: INR2m per MT) vs. copper and lead, which is expected to expand blended EBITDA margins as these streams scale up and reduce earnings dependence on any single metal cycle.
- This diversification is also backed by strong policy tailwinds, with India rolling out an INR1.5b recycling incentive scheme (~20% on capex + 40-60% on opex incentives) under the ~INR340b Critical Mineral Mission, alongside duty-free scrap imports and a targeted build-up to ~270k MT recycling capacity.
- At the same time, global trade dynamics are being reshaped by US Section 232 tariffs on imported finished metals (for promoting domestic metal production). This may disrupt traditional scrap flows from the US to ROW, as the US will now consume it domestically, thereby leading to near-term oversupply of metals.
- For instance, the US, being the largest exporter of copper scrap, could tighten scrap availability in global markets if a greater share is retained for domestic consumption (with already ~40% consumed domestically as of 2025), while reduced imports of finished metals into the US may simultaneously lead to oversupply in the rest of the world.
- However, **JAINREC is structurally insulated from this feedstock-related risk through its JV-led sourcing model**, particularly the C&Y Global (USA) partnership, which effectively converts this disruption into a feedstock advantage and provides high-quality US-origin scrap.
- Under this structure, US-based C&Y will supply scrap to the Indian JV, which is economically more beneficial than selling domestically, strengthening JAINREC's supply visibility precisely when other players might face tightening raw material availability.
- Similarly, the Kuwait JV (with Abraj Al Khaleej) provides backward integration into the lead value chain (scrap sourcing), focusing on battery breaking and supplying lead paste and grids directly to India, creating a captive, cross-border raw material pipeline.
- **This not only enhances margin capture at an upstream stage but also reduces dependence on fragmented domestic scrap markets while providing geographic diversification of feedstock sourcing.**
- **Overall, the combination of feedstock security, critical metal diversification, backward integration and policy alignment creates a structurally de-risked, scalable and margin-accretive growth engine, underpinning a resilient competitive moat.**

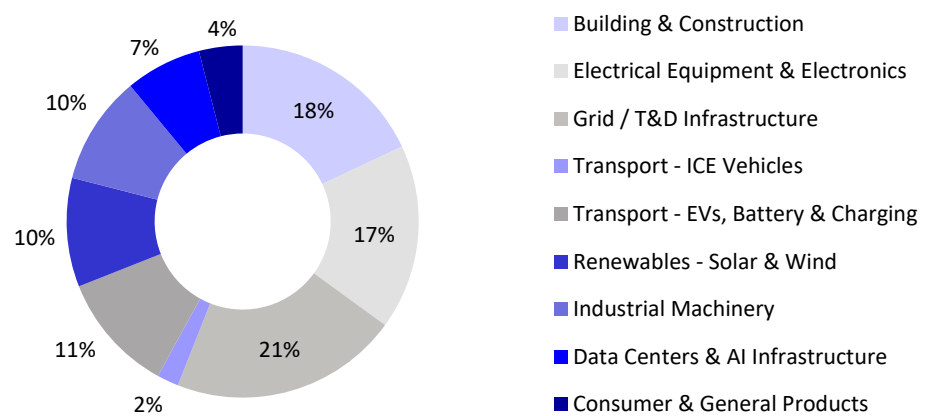
**Valuation and view**

- As a leading player in India’s rapidly growing recycling industry, JAINREC is positioned for long-term growth aided by rising demand for recycled/green metals and a regulatory shift favoring organized players, along with the growth of demand for lead and copper in India outpacing the global demand growth.
- To move up the value chain, JAINREC is focusing on developing higher-value copper products, which should enhance margins and improve earnings visibility. We model EBITDA/MT to increase to ~INR24,275 by FY28 from ~INR18,292 in FY26E.
- Further, medium- to long-term demand for copper is expected to remain strong, driven by the rapid expansion of new-age industries such as renewable energy, data centers, and EVs.
- We expect a CAGR of 32%/34%/38% in revenue/EBITDA/PAT over FY26-28E. **We value the stock at 23x FY28 EPS to arrive at our TP of INR560 and reiterate our BUY rating.**

**Exhibit 1: Global copper end-use mix (CY25)**



**Exhibit 2: Global copper end-use mix (CY40)**

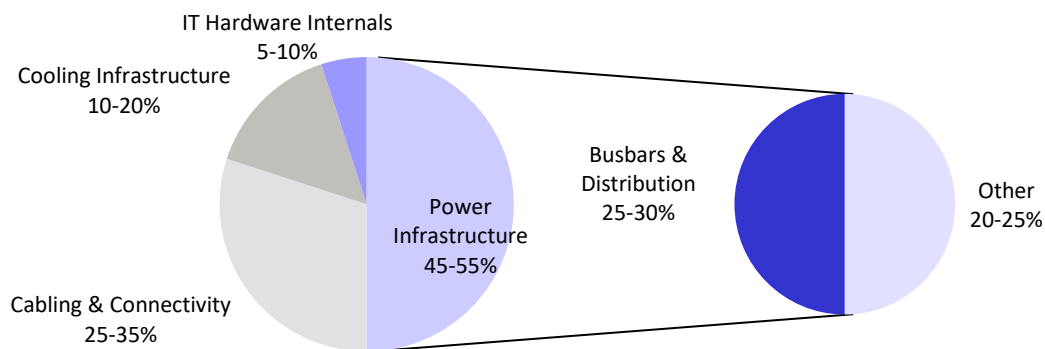


**Exhibit 3: Global copper end-user demand mix - 2025 vs. 2040 (volume in million)**

Segment	2025 Share	2025 Volume	2040 Share	2040 Volume	Δ Share	Remarks
Building & Construction	26%	7.3 Mt	18%	7.6 Mt	↓ 8pp	❖ Largest segment today but ceding dominance; grows marginally in absolute terms, driven by developing-world urbanization and green building, but its share collapses as electrical demand vectors scale up faster.
Electrical Equipment & Electronics	24%	6.7 Mt	17%	7.1 Mt	↓ 7pp	❖ Remains a large volume segment; consumer electronics, industrial motors, and wiring harnesses grow steadily but below the market average growth rate - share diluted by exponential rise of transition-linked applications.
Grid / T&D Infrastructure	17%	4.8 Mt	21%	8.8 Mt	↑ 4pp	❖ Grid expansion expected to see 19% demand growth vs. traditional applications, per ICA/CRU European Copper Institute; USD7.5t in global grid investment required by 2040; every EV, solar farm, and data center creates upstream grid copper pull - this is the backbone multiplier for all other transition segments.
Transport - ICE Vehicles	9%	2.5 Mt	2%	0.8 Mt	↓ 7pp	❖ BHP forecasts ICE vehicle copper demand in structural retreat as EV fleet share grows; ICE vehicles use ~20kg copper vs. 50-80kg in an EV - the net transport sector actually grows strongly but the internal mix is being completely inverted.
Transport - EVs, Battery & Charging	4%	1.1 Mt	11%	4.6 Mt	↑ 7pp	❖ BHP forecasts EV transport sector's share of copper demand rising from 11% in 2021 to over 20% by 2040; EV-related copper growing at 10% per annum, from 1.7 MT in 2025 to 4.3 MT by 2035, as per Wood Mackenzie; EV penetration at 22% in 2025 is estimated to double to 44% by 2035.
Renewables – Solar & Wind	6%	1.7 Mt	10%	4.2 Mt	↑ 4pp	❖ Renewables expected to see 7% demand growth, as per ICA/CRU European Copper Institute; solar/wind require 2.5-7.0x more copper per MW than fossil fuels; over 90% of new generating capacity added globally in 2025 was solar and wind - structural demand floor rising every year.
Industrial Machinery	10%	2.8 Mt	10%	4.2 Mt	→ 0pp	❖ Broadly stable share; grows in absolute terms, driven by manufacturing expansion and automation in emerging economies, but no step-change in copper intensity.
Data Centers & AI Infrastructure	2%	0.6 Mt	7%	2.9 Mt	↑ 5pp	❖ S&P Global forecasts AI and data centers add 2 MT of incremental copper demand from 2025 to 2040; a single AI hyperscale data center uses ~27 MT/MW; data center share of insulated cable demand rising from 4-5% today to 9-11% globally by 2030; <b>this demand is price-inelastic as copper is less than 0.5% of total project cost.</b>
Consumer & General Products	2%	0.6 Mt	4%	1.7 Mt	↑ 2pp	❖ Includes heat pumps (CRU forecasts annual sales to quadruple to 52m units by 2040), smart home systems, and appliances in the developing world - the 2b new air conditioners projection by 2040 is the single biggest driver within this bucket.
<b>Total</b>		<b>~28 Mt</b>		<b>~42 Mt</b>		

Source: Thunder Said Energy, Grand View Research, Wood Mackenzie, ICA/CRU, S&P Global, MOFSL

**Exhibit 4: Copper usage mix in data centers**



Source: Industry, MOFSL

**Exhibit 5: Types of cables that the company processes**



Source: Company, MOFSL

**Exhibit 6: Raw materials (motors)**



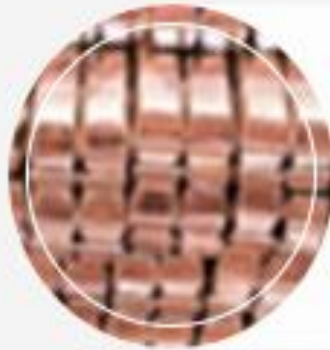
Source: Company, MOFSL

**Exhibit 7: Final products**



**Refined Copper Billet**

ranges from 95.00% to 99.07%



**Copper Alloy Billets/Ingots**

zinc, tin, or nickel



**Copper Ingots**



**Finished Copper Scrap**

Clove, Cobra, Berry, and Copper Wire

Source: Company, MOFSL

**Exhibit 8: Copper value-added products' application**

Value added product	Application	Industry	Purity / Grade
Copper Anode	Alloy Casting	Electrorefining Industry	Copper > 99.9%
	Electrorefining	Electroplating Industry	
	Electroplating	Automotive & EV Industry	
	Electroforming		
Copper Cathode	Electrical Panels	Heavy Industries	LME Grade – A
	Switchgears	Power Generation	
	GIS	Power Transmission & Tele-communication	
	Generator	Electric Vehicle & Battery Manufacturer	Cu-CATH-1
	Automotive Parts	Aerospace & Defence	
	Renewable Energy	Pharmaceutical & Medical Devices	
Copper Up-Cast Rod	Electrical Panels	Heavy Industries	OFC Grade
	Switchgears	Power Generation (thermal, hydro, nuclear, solar, wind)	
	GIS	Power Transmission & Tele-communication	
	Generator	Electric Vehicle & Battery Manufacturer	
	Electrical wiring	Aerospace & Defence	ETP Grade
	Transformers	Pharmaceutical & Medical Devices	
	Electronics (PCBs)	Construction / Infrastructure	
	Automotive Parts (motors, wiring)		
	Renewable Energy (solar, EV chargers)		
Copper Bus Bars/ Flats/Strips	Electrical Panels	Heavy Industries	OFC Grade
	Switchgears	Power Generation (thermal, hydro, nuclear, solar, wind)	
	GIS	Power Transmission & Tele-communication	
	Generator	Electric Vehicle & Battery Manufacturer	
	Motors	Aerospace & Defence	ETP Grade
	Transformers	Pharmaceutical & Medical Devices	
	Traction Motor	Construction / Infrastructure	
	Alternator		

Source: Company, MOFSL

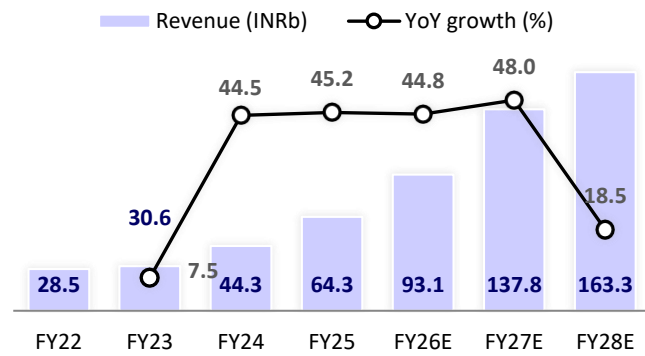
**Exhibit 9: EPR targets for producers of non-ferrous metal products**

No	Year (Y)	Recycling targets (by weight)
1	2026-27	❖ 10% of the quantity of products made of non-ferrous metals in year Y-X, where 'X' is the average life of the product
2	2027-28	❖ 10% of the quantity of products made of non-ferrous metals in year Y-X, where 'X' is the average life of the product
3	2028-29	❖ 30% of the quantity of products made of non-ferrous metals in year Y-X, where 'X' is the average life of the product
4	2029-30	❖ 30% of the quantity of products made of non-ferrous metals in year Y-X, where 'X' is the average life of the product
5	2030-31	❖ 50% of the quantity of products made of non-ferrous metals in year Y-X, where 'X' is the average life of the product
6	2031-32	❖ 50% of the quantity of products made of non-ferrous metals in year Y-X, where 'X' is the average life of the product
7	2032-33 onwards	❖ 75% of the quantity of products made of non-ferrous metals in year Y-X, where 'X' is the average life of the product
8		❖ Units established after 1st April, 2026, the extended producer responsibility obligation will start after two years and shall be as per the target prescribed above
9		❖ The extended producer responsibility obligation for importers of used devices or products or scrap of non-ferrous metals in the year (Y) shall be 100 per cent of the non-ferrous metals imported in the year (Y-1)

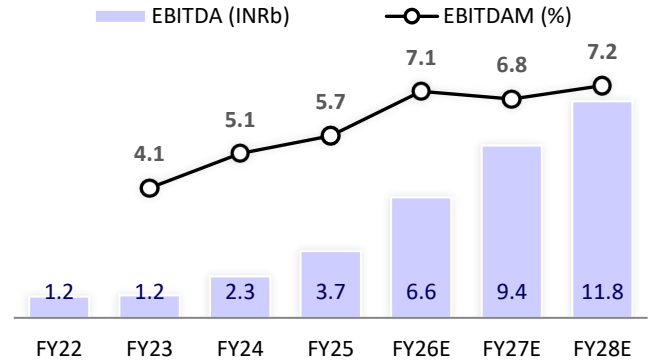
Source: MoE

## Story in Chart

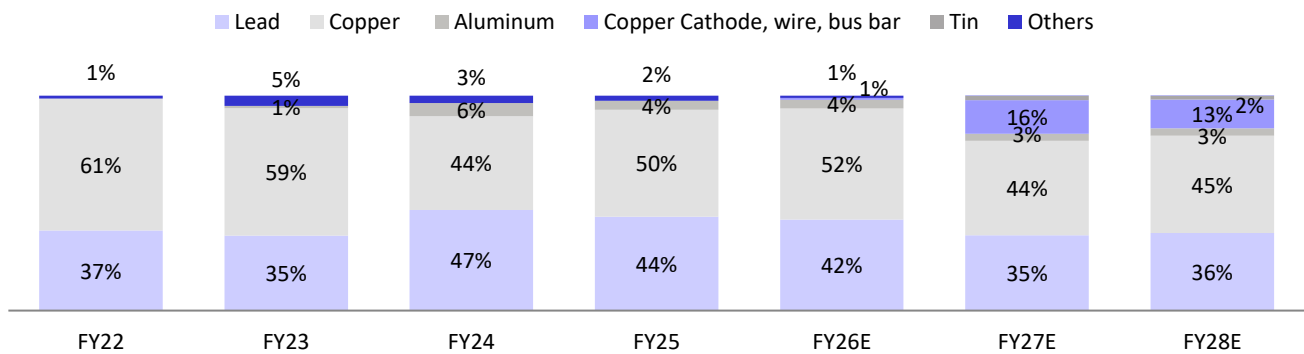
**Exhibit 10: Revenue CAGR of ~36% over FY25-28E...**



**Exhibit 11: ...coupled with margins expansion**

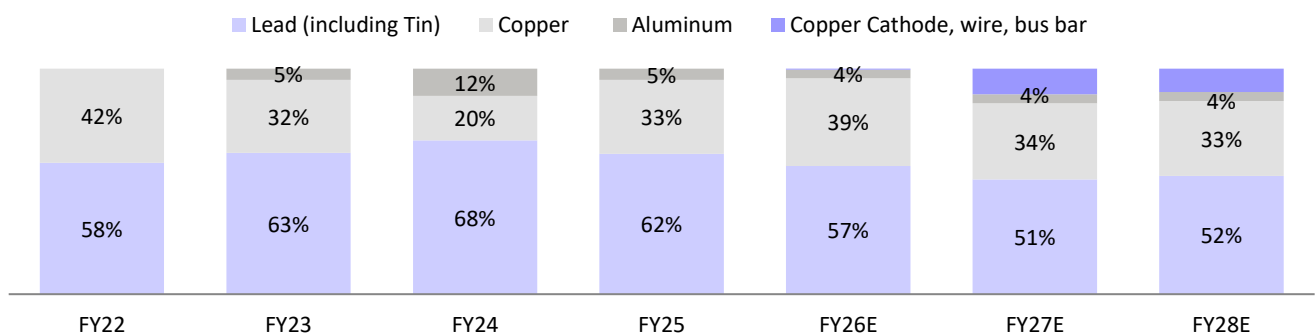


**Exhibit 12: Revenue mix trend**



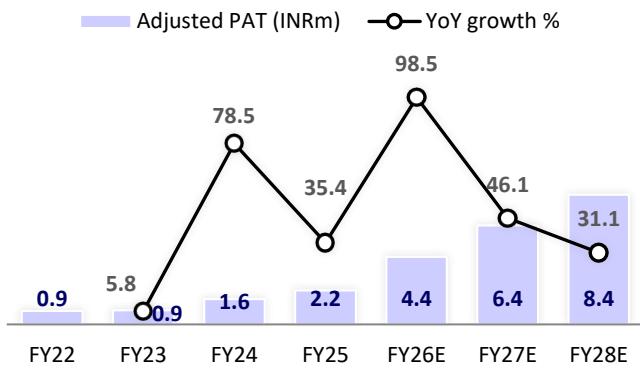
Source: BBG, MOFSL

**Exhibit 13: EBITDA mix trend**

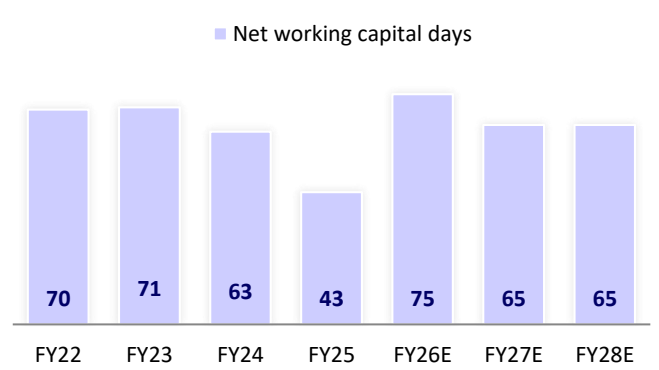


Source: BBG, MOFSL

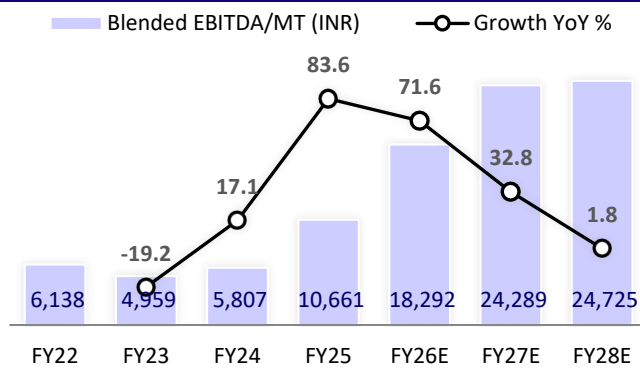
**Exhibit 14: Est. strong earnings CAGR of 56% over FY25-28**



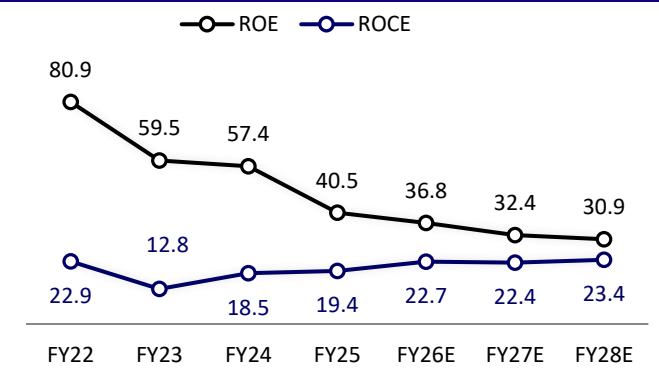
**Exhibit 15: Net working capital days**



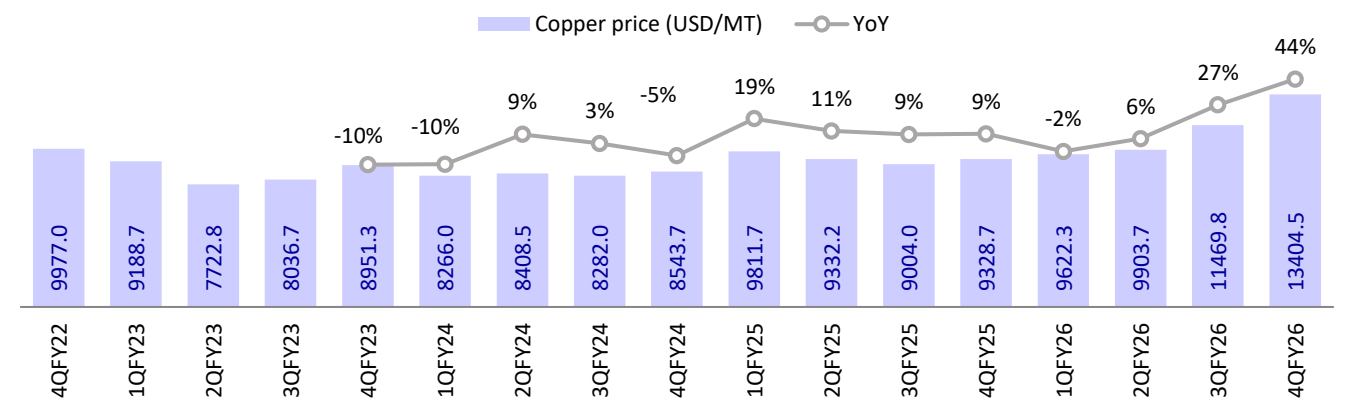
**Exhibit 16: Blended EBITDA/MT trend**



**Exhibit 17: Healthy return ratios**



**Exhibit 18: Copper price trend**



Source: BBG, MOFSL

## Financials and valuations

Consolidated - Income Statement							(INRm)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Total Income from Operations</b>	<b>28,496</b>	<b>30,641</b>	<b>44,284</b>	<b>64,294</b>	<b>93,116</b>	<b>1,37,839</b>	<b>1,63,292</b>
Change (%)	NA	7.5	44.5	45.2	44.8	48.0	18.5
Raw Materials	25,888	27,879	40,095	58,444	83,528	1,23,793	1,46,243
<b>Gross Profit</b>	<b>2,608</b>	<b>2,761</b>	<b>4,189</b>	<b>5,850</b>	<b>9,588</b>	<b>14,047</b>	<b>17,049</b>
Employees Cost	103	144	324	280	447	539	612
Other Expenses	1,340	1,375	1,593	1,920	2,553	4,093	4,602
<b>Total Expenditure</b>	<b>27,332</b>	<b>29,399</b>	<b>42,012</b>	<b>60,644</b>	<b>86,529</b>	<b>1,28,425</b>	<b>1,51,456</b>
% of Sales	95.9	95.9	94.9	94.3	92.9	93.2	92.8
<b>EBITDA</b>	<b>1,164</b>	<b>1,242</b>	<b>2,272</b>	<b>3,650</b>	<b>6,587</b>	<b>9,414</b>	<b>11,835</b>
Margin (%)	4.1	4.1	5.1	5.7	7.1	6.8	7.2
Depreciation	87	135	157	142	147	228	303
<b>EBIT</b>	<b>1,077</b>	<b>1,106</b>	<b>2,115</b>	<b>3,508</b>	<b>6,440</b>	<b>9,186</b>	<b>11,532</b>
Int. and Finance Charges	160	305	533	835	920	1,015	916
Other Income	307	435	564	361	372	276	327
<b>PBT bef. EO Exp.</b>	<b>1,225</b>	<b>1,236</b>	<b>2,146</b>	<b>3,033</b>	<b>5,893</b>	<b>8,447</b>	<b>10,943</b>
EO Items	0	0	0	0	0	0	0
<b>PBT after EO Exp.</b>	<b>1,225</b>	<b>1,236</b>	<b>2,146</b>	<b>3,033</b>	<b>5,893</b>	<b>8,447</b>	<b>10,943</b>
Total Tax	357	318	508	813	1,483	2,126	2,754
Tax Rate (%)	29.1	25.7	23.7	26.8	25.2	25.2	25.2
Share of Profit/loss of Associate	0	0	0	-2	-7	110	244
<b>Reported PAT</b>	<b>868</b>	<b>918</b>	<b>1,638</b>	<b>2,218</b>	<b>4,403</b>	<b>6,431</b>	<b>8,432</b>
<b>Adjusted PAT</b>	<b>868</b>	<b>918</b>	<b>1,638</b>	<b>2,218</b>	<b>4,403</b>	<b>6,431</b>	<b>8,432</b>
Change (%)	NA	5.8	78.4	35.4	98.5	46.1	31.1
Margin (%)	3.0	3.0	3.7	3.4	4.7	4.7	5.2

Consolidated - Balance Sheet							(INRm)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	400	400	410	647	690	690	690
Eq. Share Warrants & App. Money	0	0	0	0	0	0	0
Instruments entirely equity in nature	0	0	0	0	0	0	0
Total Reserves	673	1,613	3,281	6,614	15,973	22,404	30,837
<b>Net Worth</b>	<b>1,073</b>	<b>2,013</b>	<b>3,692</b>	<b>7,261</b>	<b>16,663</b>	<b>23,095</b>	<b>31,527</b>
Minority Interest	0	0	0	-13	0	0	0
Total Loans	7,509	7,328	9,094	9,199	11,699	11,899	9,399
Deferred Tax Liabilities	71	39	15	85	85	85	85
<b>Capital Employed</b>	<b>8,652</b>	<b>9,379</b>	<b>12,801</b>	<b>16,531</b>	<b>28,447</b>	<b>35,079</b>	<b>41,011</b>
Gross Block	522	802	996	1,208	1,482	2,321	2,727
Less: Accum. Deprn.	83	217	349	491	638	866	1,169
<b>Net Fixed Assets</b>	<b>439</b>	<b>584</b>	<b>647</b>	<b>717</b>	<b>845</b>	<b>1,455</b>	<b>1,559</b>
Goodwill on Consolidation	0	0	0	4	4	4	4
Capital WIP	0	0	0	32	232	0	0
Right of use	100	157	145	168	214	182	155
<b>Total Investments</b>	<b>1</b>	<b>1</b>	<b>165</b>	<b>363</b>	<b>19</b>	<b>251</b>	<b>251</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>9,636</b>	<b>10,417</b>	<b>14,330</b>	<b>17,078</b>	<b>29,724</b>	<b>37,425</b>	<b>44,048</b>
Inventory	3,424	3,417	5,504	6,752	17,163	22,045	26,043
Account Receivables	2,105	2,541	1,833	1,295	1,592	2,356	2,791
Cash and Bank Balance	2,156	1,458	3,002	2,483	2,906	1,997	2,150
Loans and Advances	1,951	3,001	3,991	6,548	8,063	11,027	13,063
<b>Curr. Liability &amp; Prov.</b>	<b>1,525</b>	<b>1,780</b>	<b>2,487</b>	<b>1,831</b>	<b>2,591</b>	<b>4,239</b>	<b>5,006</b>
Account Payables	376	333	270	1,035	1,452	2,147	2,534
Other Current Liabilities	1,141	1,435	2,197	756	1,117	2,068	2,449
Provisions	8	12	20	40	22	24	22
<b>Net Current Assets</b>	<b>8,112</b>	<b>8,637</b>	<b>11,843</b>	<b>15,247</b>	<b>27,133</b>	<b>33,186</b>	<b>39,042</b>
<b>Appl. of Funds</b>	<b>8,652</b>	<b>9,379</b>	<b>12,801</b>	<b>16,531</b>	<b>28,447</b>	<b>35,079</b>	<b>41,011</b>

## Financials and valuations

### Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>							
<b>EPS</b>	<b>2.5</b>	<b>2.7</b>	<b>4.7</b>	<b>6.4</b>	<b>12.8</b>	<b>18.6</b>	<b>24.4</b>
Cash EPS	2.8	3.1	5.2	6.8	13.2	19.3	25.3
BV/Share	3.1	5.8	10.7	21.0	48.3	66.9	91.4
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>							
P/E	163.9	155.0	86.8	64.1	32.3	22.1	16.9
Cash P/E	148.9	135.1	79.2	60.3	31.3	21.4	16.3
P/BV	132.6	70.7	38.5	19.6	8.5	6.2	4.5
EV/Sales	3.1	2.9	2.0	2.2	1.6	1.1	0.9
EV/EBITDA	75.4	71.1	39.9	38.4	22.9	16.2	12.6
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	2.6	-0.6	0.4	-0.9	-20.0	-0.4	9.4
<b>Return Ratios (%)</b>							
RoE	80.9	59.5	57.4	40.5	36.8	32.4	30.9
RoCE	22.9	12.8	18.5	19.4	22.7	22.4	23.4
RoIC	23.5	11.4	18.4	22.1	24.7	23.7	24.2
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	54.6	38.2	44.5	53.2	62.8	59.4	59.9
Asset Turnover (x)	3.3	3.3	3.5	3.9	3.3	3.9	4.0
Inventory (Days)	48	45	50	42	75	65	65
Debtor (Days)	27	30	15	7	6	6	6
Creditor (Days)	5	4	2	6	6	6	6
<b>Leverage Ratio (x)</b>							
Current Ratio	6.3	5.9	5.8	9.3	11.5	8.8	8.8
Interest Cover Ratio	6.7	3.6	4.0	4.2	7.0	9.1	12.6
Net Debt/Equity	5.0	2.9	1.6	0.9	0.5	0.4	0.2

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	1,225	1,236	2,146	3,046	5,893	8,447	10,943
Depreciation	87	135	157	157	147	228	303
Interest & Finance Charges	160	305	533	847	920	1,015	916
Direct Taxes Paid	-256	-327	-500	-752	-1,483	-2,126	-2,754
(Inc)/Dec in WC	-154	-945	-1,653	-2,841	-11,464	-6,962	-5,703
<b>CF from Operations</b>	<b>1,062</b>	<b>405</b>	<b>684</b>	<b>456</b>	<b>-5,988</b>	<b>602</b>	<b>3,705</b>
Others	-482	-296	-350	-420	-379	-165	-83
<b>CF from Operating incl EO</b>	<b>580</b>	<b>109</b>	<b>334</b>	<b>36</b>	<b>-6,367</b>	<b>437</b>	<b>3,622</b>
(Inc)/Dec in FA	-69	-220	-250	-337	-520	-574	-379
<b>Free Cash Flow</b>	<b>511</b>	<b>-112</b>	<b>84</b>	<b>-301</b>	<b>-6,888</b>	<b>-137</b>	<b>3,243</b>
(Pur)/Sale of Investments	-1,475	73	-409	-176	344	-233	0
Others	74	61	-275	253	372	276	327
<b>CF from Investments</b>	<b>-1,469</b>	<b>-87</b>	<b>-934</b>	<b>-260</b>	<b>196</b>	<b>-531</b>	<b>-53</b>
Issue of Shares	0	22	65	1,334	5,000	0	0
Inc/(Dec) in Debt	1,033	265	1,815	-920	2,500	200	-2,500
Interest Paid	-137	-255	-486	-741	-920	-1,015	-916
Dividend Paid	0	0	0	0	0	0	0
Others	-6	0	-35	-27	13	0	0
<b>CF from Fin. Activity</b>	<b>890</b>	<b>32</b>	<b>1,359</b>	<b>-354</b>	<b>6,594</b>	<b>-815</b>	<b>-3,416</b>
<b>Inc/Dec of Cash</b>	<b>0</b>	<b>54</b>	<b>759</b>	<b>-578</b>	<b>423</b>	<b>-909</b>	<b>153</b>
Opening Balance	1	2,156	1,457	3,002	2,483	2,906	1,997
Other Bank Balance/Adjustments	2,155	-753	786	59	0	0	0
<b>Closing Balance</b>	<b>2,156</b>	<b>1,457</b>	<b>3,002</b>	<b>2,483</b>	<b>2,906</b>	<b>1,997</b>	<b>2,150</b>

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BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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