

MTAR Technologies

BSE SENSEX 82,249 S&P CNX 25,497

CMP: INR3,683 TP: INR4,810 (+31%) Buy



Building Nation with Exceptional Engineering

Stock Info

Bloomberg	MTARTECH IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	113.3 / 1.2
52-Week Range (INR)	3908 / 1152
1, 6, 12 Rel. Per (%)	52/149/151
12M Avg Val (INR M)	895
Free float (%)	69.4

Financials Snapshot (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	9.0	13.4	18.6
EBITDA	1.9	3.1	4.5
Adj. PAT	1.0	1.9	3.0
EBITDA Margin (%)	21.3	23.5	24.3
Cons. Adj. EPS (INR)	33.8	62.9	97.0
EPS Gr. (%)	96.6	86.0	54.3
BV/Sh. (INR)	269.9	332.7	429.7

Ratios

Net D:E	0.3	0.2	0.2
RoE (%)	13.3	20.9	25.4
Payout (%)	12.2	17.8	22.1

Valuations

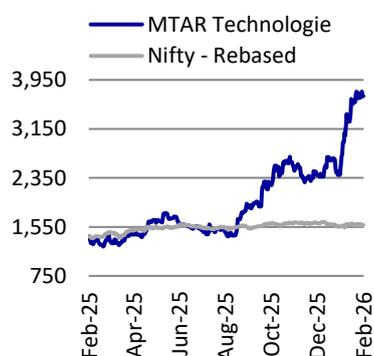
P/E (x)	109.2	58.7	38.0
EV/EBITDA (x)	60.4	37.0	25.7

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	30.6	31.4	31.4
DII	30.0	24.8	23.2
FII	12.2	9.2	7.0
Others	27.2	34.6	38.4

FII includes depository receipts

Stock Performance (one-year)



Proxy for compounding global data center demand

MTAR Technologies (MTARTECH) is a precision engineering company serving niche, high-barrier industries across defense, aerospace, nuclear energy, and clean energy with a growing exposure to global fuel cell technology through its decade-long partnership with Bloom Energy (BE).

- MTARTECH is firmly positioning itself as the indirect beneficiary of the global AI infrastructure wave. The world is building data centers at an unforeseen pace, i.e., ~100 GW of new capacity is expected during 2026-2030 (14-18% CAGR), and the singular challenge holding this expansion back is not capital but reliable power. Grid connections now take 2-5 years; AI cannot wait that long.
- This is precisely where BE steps in. Its solid oxide fuel cell (SOFC) technology deploys 50-100 MW of power in just 90-120 days with five-nines reliability — a speed advantage that has made it the preferred power partner for some of the world's largest hyperscalers and utilities. A USD20b order backlog and partnerships with Brookfield, AEP, Oracle, and Equinix reflect the growing confidence in BE's proposition. With manufacturing capacity set to double to 2GW by CY26 from 1 GW in CY25 and further to 4 GW by CY28, BE's growth trajectory appears well-supported.
- What makes MTARTECH particularly interesting is its structural position within BE's supply chain. As the sole supplier of critical hot box assemblies (meeting 60-70% of BE's requirements), built over a decade of collaboration, MTARTECH's relationship with BE is both deep-rooted and difficult to displace. This is already reflecting in its financials; 3QFY26 order inflows reached a record INR13.7b, up 5.1x YoY, with nearly half of them sourced from BE. Our analysis suggests that for every 1 GW of orders BE secures, MTARTECH stands to receive INR9-11b, translating to INR27-53b in potential cumulative inflows over the next 3-5 years (on the back of 3-5GW of order inflow for BE).
- We expect MTARTECH to post a CAGR of 40%/55%/78% in revenue/EBITDA/adj. PAT over FY25-28. We reiterate our BUY rating on the stock with a TP of INR4,810 (50x FY28E EPS i.e. ~0.6x PEG on FY25-28E EPS CAGR).

New-age technology upgrade: Data center market expansion

- The global data center market is witnessing an unprecedented expansion, driven by artificial intelligence (AI), cloud computing, and digital transformation.
- Nearly 100GW of new data center capacity is expected to be added between 2026 and 2030, effectively doubling global capacity from ~100GW as of CY25.
- Industry research agencies peg data center expansion at a CAGR of 14-18% over 2026-2030.

Research Analyst: Meet Jain (Meet.Jain@MotilalOswal.com) | Sumant Kumar (Sumant.Kumar@MotilalOswal.com)

Research Analyst: Nirvik Saini (Nirvik.Saini@MotilalOswal.com) | Yash Darak (Yash.Darak@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Inference refers to the production phase of artificial intelligence, where a previously trained AI model is deployed to analyze new, real-world data and make predictions, classifications, or decisions in real time.

Hyperscalers are massive cloud service providers that operate huge, globally distributed data center networks designed to deliver scalable, high-capacity computing, storage, and networking on demand.

- The majority of this growth is coming from the Americas, which is expected to add ~50GW of data center capacity, i.e., 17% CAGR and 50% of global capacity additions. The US dominates the current global data center activity, accounting for ~90% of capacity in the Americas region. Asia Pacific is also adding 25GW (i.e. 12% CAGR) and EMEA ~13GW (10% CAGR) over 2026-2030. (Refer Exhibit 7)
- AI represents a paradigm shift in data center demand, with AI workloads exhibiting fundamentally different characteristics than traditional computing.
- **AI workload penetration:** As per a JLL report, AI represented ~25% of all data center workloads in 2025 (primarily training). By 2030, AI could represent 50% of all workloads, with inference becoming the primary driver after 2027.
- **Training vs. inference shift:** While AI training dominated early demand, inference workloads are expected to overtake training as the primary driver by 2027. Every AI model deployment creates sustained inference demand that grows with user adoption.
- **Hyperscaler investment:** Capex from major hyperscalers (Amazon, Microsoft, Google, Meta, etc.) reached USD200b in 2024 and is estimated to have exceeded USD220b in 2025, with hyperscaler capex jumping 58% YoY. (Refer Exhibit 10)
- **Gigawatt-scale developments:** Just 10% of existing data centers exceed 50MW capacity, yet most developments under construction exceed 100MW. Several GW-scale sites are coming online, including Meta's planned 5GW facility in Louisiana (the size of Manhattan) and Amazon's USD10b investments in Mississippi. (Refer Exhibit 11)

Critical power infrastructure challenge

- The boom in data center capacity translates directly into unprecedented electricity demand that is straining global power infrastructure.
- AI-optimized servers are projected to rise from 93TWh (21% of total) in 2025 to 432 TWh (44% of total) by 2030. In the US, data centers are expected to drive the majority of electricity demand growth through 2030. US data center electricity usage is projected to rise from 4% to 7.8% of regional consumption (2025-2030).
- A typical AI-focused hyperscaler consumes electricity equivalent to 100,000 households annually; larger facilities under construction will consume 20x more.
- **Access to reliable, immediate power has become the defining constraint** for modern data center development. Traditional grid connections face severe bottlenecks, such as interconnection delays, transmission challenges, grid capacity constraints and infrastructure investment requirement.
- **As OpenAI CFO Sara Friar stated in Sep'24, "The real bottleneck isn't money. It's power."** This fundamental constraint has created urgent demand for alternative power solutions that can deploy rapidly without grid dependency.
- AI data centers present distinctive power challenges compared to traditional facilities such as:
 - **Extreme load variability:** A single server's power load can fluctuate from 15kW to 30kW within seconds, scaling to 50-100MW swings at the data center level translating into demand variations from 20% to 150% of provisioned power.
 - **High power density:** AI facilities require significantly higher densities to support GPU clusters and accelerated computing.

- **Training intensity:** Training a large AI model requires a total power draw of 25.3MW in recent examples, with power requirements potentially doubling annually. One study found training consumed 50GWh of energy, enough to power San Francisco for three days.
- **Continuous availability requirements:** AI workloads demand extremely high levels of power reliability (99.9% to 99.999% uptime) to prevent costly downtime and service interruptions.

The fuel cell solution: Bloom Servers

- BE has emerged as the leading provider of SOFC technology for data center power.
- BE's SOFC offers key technological advantages against traditional power facilities such as:
 - **SOFC platform:** BE's SOFCs generate electricity through an electrochemical process rather than combustion, resulting in 54% efficiency (rising to over 90% with combined heat and power applications).
 - **Fuel flexibility:** The platform operates on natural gas, biogas, or hydrogen, providing a pathway to carbon-neutral and eventually zero-carbon operations.
 - **Load following capability:** As solid-state devices with no spinning components, fuel cells respond at least twice as fast as rotating generators when stepping up power, and instantly when stepping down, perfectly matching AI's volatile load profile.
 - **High reliability:** BE **delivers 99.9% to 99.999% (five nines) availability**, exceeding typical grid reliability.
 - **Environmental profile:** Virtually eliminates harmful air pollutants (NOx, SOx, particulate matter), operates at 65 decibels from 10 feet away, and offers high power density with minimal land requirements.
 - **Speed to power advantage:** Traditional grid connection or gas turbine takes ~2-5+ years or 12-24 months, respectively, from deployment to power generation, while **BE's SOFC takes only 90 days to 120 days for 50-100MW of SOFC**. This 10-20x speed advantage fundamentally alters data center economics. Every delay in bringing infrastructure online means idle GPUs and lost revenue in an industry racing to capture AI market share. BE is even beating its own record to deliver its server even before the customer could build its data center with an endeavor to not be a bottleneck in a growing data center theme. **Recently, for a large hyperscale AI factory, it delivered Bloom Servers within 55 days vs. commitment of 90 days.**
- Considering these advantages, **BE has been able to position itself as a key power supplier in the growing AI-led data center demand**. BE has secured transformative partnerships validating its technology and market position.
- **Recent deals:**
 - **Brookfield Asset Management (USD5b, Oct'25):** Brookfield will invest up to USD5b to deploy BE's fuel cell technology, making BE the preferred onsite power provider for Brookfield's global AI factories. This marks Brookfield's first investment through its dedicated AI Infrastructure strategy. The partnership is actively collaborating on AI factory design globally.
 - **American Electric Power (up to 1GW, Nov'24):** AEP signed a supply agreement for up to 1GW of fuel cells, starting with a 100MW order, as a "bridge solution"

to serve data centers while grid upgrades are completed. This utility-scale validation represents a paradigm shift from backup to primary power.

- **Oracle (direct supply, Jul'24):** BE's first direct hyperscaler contract, deploying fuel cells across select Oracle data centers.
- **Equinix (100+ MW):** Agreements for deployments across 19 Equinix data centers, exceeding 100 MW total capacity.
- **CoreWeave (first AI partner, Jul'24):** The cloud-computing company focused on AI became BE's inaugural AI data center partner.

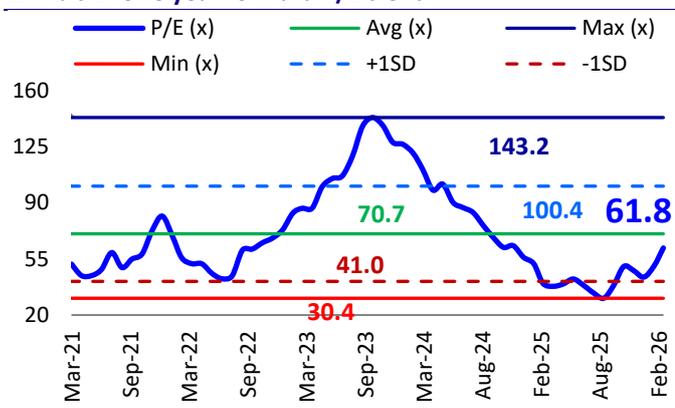
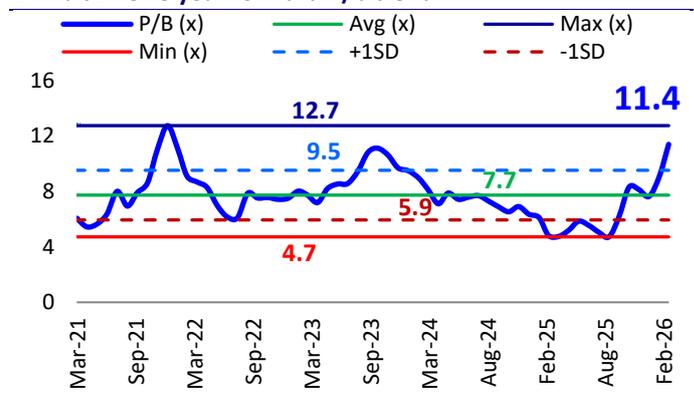
BE's critical supplier

- MTARTECH's business model centers on producing complex, high-value precision components tailored to niche industries with high entry barriers. The company has built long-term relationships with customers requiring specialized engineering capabilities and rigorous quality standards.
- Its decade-long collaboration with BE has evolved into a strategic sole-supplier relationship for critical components.
- The company serves as BE's key supplier (one of the two) of hot box assemblies and electrolyzer units, **meeting ~60-70% of BE's hot box requirements.**
- With increasing deals being done by BE recently, its total order backlog as of Dec'25 is ~USD20b (includes both product/service commitment of ~USD6b/~USD14b).
- MTARTECH has witnessed a spurt in its order flows over the last six to eight months as reported by the company. In 3QFY26, the company posted **~INR13.7b in order inflow (highest ever), up 5.1x YoY/2.8x QoQ. Of the total inflow, ~48% (INR6.6b) came from clean energy fuel cells (primarily from BE).**
- Considering the AI-led data center demand acceleration, **BE is doubling its capacity to 2GW in CY26** from 1GW in CY25 with further plans to double to 4GW by CY28. Consequently, to align its capacity and order flows from BE, **MTARTECH has also initiated capacity expansion plans to 30,000 units by FY28 from 8,000 units currently** in three phases, i.e., 12k/20k/30k units by Mar'26/Mar'27/Mar'28. Capex outlay for each phase would be INR350-400m/INR500-600m/INR400-500m.
- **We reiterate our calculation (presented in our [Dec'24 note](#)) that for every 1GW order secured by BE, we expect MTARTECH to receive ~INR9-11b of orders (considering 60-70% wallet share with BE).**
- **Consequently, BE tie-ups with hyperscalers and power utilities with potential order books of ~3-5GW over the next three to five years could translate into ~INR27-53b of order flows for MTARTECH, i.e., ~4-8x of expected FY26 revenue from BE. (Refer Exhibit 3)**

Valuation and view

- The global AI infrastructure buildout has created a singular and structural demand shock — one where power availability, not capital, has become the defining constraint for data center expansion. BE has uniquely positioned itself as the fastest and most reliable solution to this bottleneck, compressing power deployment timelines from years to 90 days, and the market has responded decisively (USD20b in order backlog), partnerships with Brookfield, AEP, Oracle, and Equinix, and a commitment to quadruple manufacturing capacity to 4 GW by CY28.

- MTARTECH, as BE's sole supplier of critical hot box assemblies commanding 60-70% wallet share, is not merely a beneficiary of this theme but an irreplaceable enabler of it. Every GW of BE's capacity generates INR9-11b in MTARTECH order flows.
- We remain bullish on this long-term growth trajectory for MTARTECH, which presents a rare combination of structural positioning, earnings visibility, and exponential order growth, all anchored by a decade-long, deeply entrenched customer relationship that is difficult to replicate.
- However, client concentration risk still looms, but near-term robust growth visibility of BE provides confidence of continued growth for MTARTECH.
- **We estimate MTARTECH to clock a CAGR of 40%/55%/78% in revenue/ EBITDA/adj. PAT over FY25-28 on the back of strong order inflows. We reiterate our BUY rating on the stock with a TP of INR4,810 (50x FY28 EPS i.e. ~0.6x PEG on FY25-28 EPS growth CAGR).**

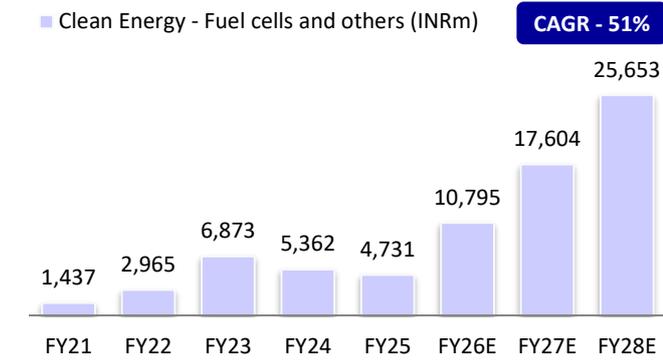
Exhibit 1: One year forward P/E trend

Exhibit 2: One year forward P/b trend

Exhibit 3: Calculation for MTARTECH's potential revenue flow from BE

Particulars	Metrics MW	Example for 1GW		
		Units	Units 1000	Units
BE order book				
Hotboxes needed				
Santacruz unit capacity	KW		65	
Hotboxes needed	units	15,385	15,385	15,385
MTAR's supply share with BE (assumption)	%	50%	60%	70%
MTAR's Hotboxes share	units	7,692	9,231	10,769
Revenue/hotbox	USD	10,800	10,800	10,800
Total Revenue for MTAR	USDm	83	100	116
Currency (INR/USD)	INR	91	91	91
Total Revenue for MTAR for every 1GW of BE order	INRb	7.6	9.1	10.6
Potential BE order book	MW	3,000	3,000	3,000
Total Revenue for MTAR	INRb	22.7	27.2	31.8
FY26E Revenue of Clean Energy Fuel Cells	INRb	6.3	6.3	6.3
<i>Order multiplier</i>	x	3.6	4.3	5.0
Potential BE order book	MW	5,000	5,000	5,000
Total Revenue for MTAR	INRb	37.8	45.4	52.9
FY26E Revenue of Clean Energy Fuel Cells	INRb	6.3	6.3	6.3
<i>Order multiplier</i>	x	6.0	7.2	8.4

From the deals signed by BE in recent times translates to fuel cell installation over 3-5GW over next 3-5 years

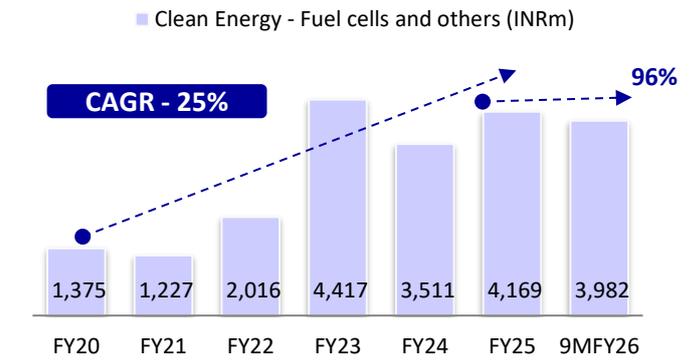
Source: MOSFL

Exhibit 4: Exponential order book growth over FY21-28)



Source: Company, MOFSL

Exhibit 5: Fuel cells already achieved ~100% of FY25 revenue in 9MFY26



Source: Company, MOFSL

Exhibit 6: Data Center Evolution timeline

Year	Global capacity (GW) IT power	YoY Growth	Key Driver	Electricity Use (TWh)
Phase 1: The Internet Boom (2000–2010) — High growth, then plateau				
2000	~4-5 GW (est.)	-	✓ Internet bubble / early e-commerce	~94 TWh
2005	21.4 GW	~34%	✓ Broadband adoption, early cloud	~169 TWh (+79% vs 2000)
2010	~30 GW (est.)	~7% p.a.	✓ Social media, mobile, SaaS takeoff	~194 TWh
2015	26 GW (total power)	Flat-low (efficiency gains)	✓ Hyperscale cloud builds; energy efficiency advances	~200 TWh
2017	~50 GW (est.)	~8%	✓ Hyperscale acceleration; Netflix/streaming	~220 TWh
Phase 2: Cloud Hyperscale Acceleration (2018–2022) — Double-digit growth returns				
2018	~55 GW (est.)	10%+ (acceleration begins)	✓ AI/ML workloads, cloud migration inflection	~225 TWh
2019	~63 GW (est.)	18.6% (fastest growth year)	✓ COVID-19 preparation builds; streaming boom	~235 TWh
2020	~68 GW (est.)	~12%	✓ Pandemic: WFH, cloud, digital acceleration	~250 TWh
2021	~72 GW (est.)	~10%	✓ Post-COVID recovery; crypto mining surge	~270 TWh
Phase 3: The AI Supercycle (2022–Present) — Structural demand shift				
2022	~75 GW (est.)	~7%	✓ Cloud capex; ChatGPT launches Dec 2022	~340 TWh
2023	~82-85 GW (est.)	~11%	✓ Generative AI breakout; hyperscale frenzy	~400 TWh
2024	81-97 GW (total power)	~15-17%	✓ AI GPU buildout; Stargate; hyperscaler capex boom	415 TWh (+1.5% global)
2025	~114-122 GW	17.7% (2nd fastest ever)	✓ AI inference scaling; sovereign cloud; data center alley expansion	~448 TWh (est.)

Source: Industry Reports, MOFSL

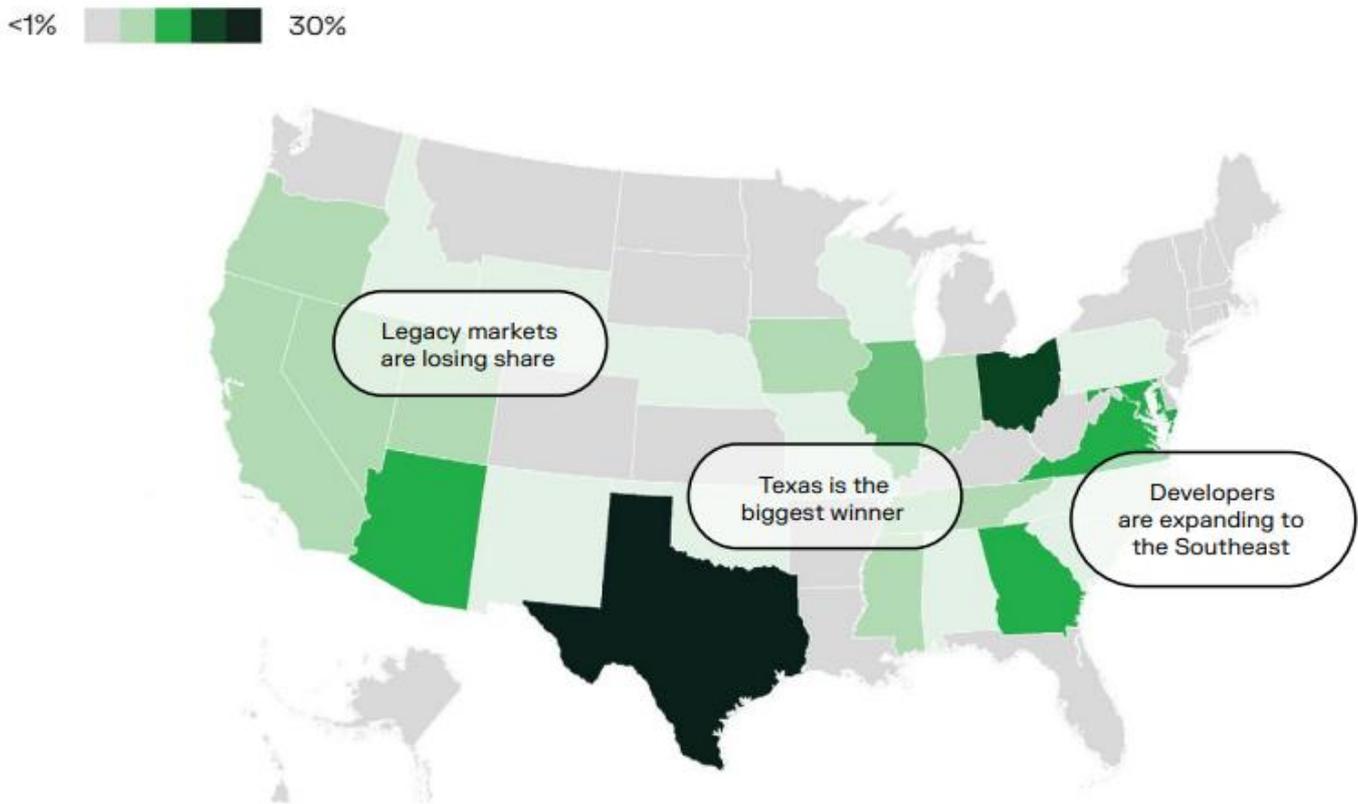
Exhibit 7: Americas leads the data center capacity

Regional data center capacity	Current capacity	2030 projection	CAGR	Key markets
Americas	~50 GW (50% of global)	~100 GW	17%	✓ N. Virginia, Dallas, Silicon Valley, Chicago, Phoenix, Atlanta
Asia Pacific	32 GW	57 GW	12%	✓ Beijing, Shanghai, Shenzhen, Inner Mongolia, Singapore, Tokyo, Sydney, Seoul, Osaka
EMEA	9.4 GW	22.4 GW	10%	✓ Frankfurt, London, Amsterdam, Paris, Dublin

Source: Industry Reports, MOFSL

Exhibit 8: In the US, Texas stands out as the biggest winner in data centers

Expected data center market share by state in 2028



Source: Bloom Energy, MOFSL

Exhibit 9: Global data center capacity estimate from various sources till 2030

Source & Date of publication	2025 Estimate	2030 Projection	CAGR
JLL 2026 Global Data Center Outlook (Jan 2026)	~100 GW	200 GW	14%
Macquarie Asset Management (2025)	~95 GW	222 GW	18.00%
Programs.com / McKinsey analysis (Jan 2026)	~89 GW	219 GW	22.00%
BNEF New Energy Outlook 2025	n/a	169-241 GW range	15-20%
451 Research / S&P Global (US only)	61.8 GW (US)	134.4 GW (US)	~17%
IEA Base Case (April 2025)	~103-114 GW	~180 GW (base)	~10-12%
Consensus midpoint	~103 GW	200-222 GW	14-18%

Exhibit 10: Hyperscale dominating the data center capacity additions

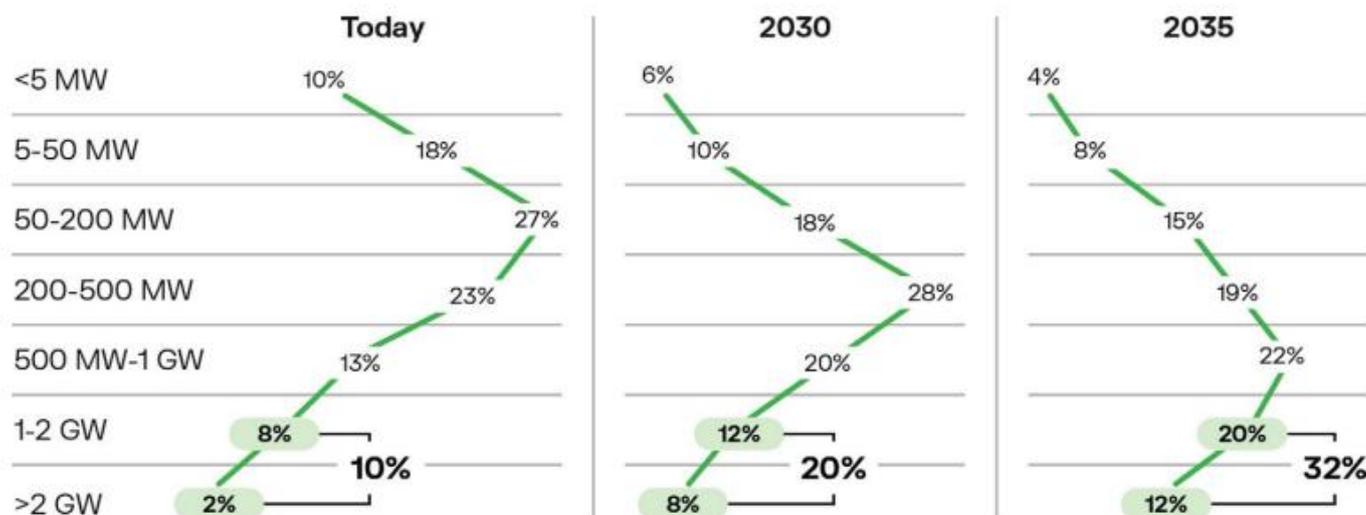
Segment	2017 Share	2025 Share	2030 Projected
Hyperscale (Amazon, Microsoft, Google, Meta, etc.)	20%	44%	61%
Colocation (Equinix, Digital Realty, NTT, etc.)	~40%	~35%	~28%
On-Premise / Enterprise	~40%	~21%	~11%

Source: Industry Reports, MOSFL

Exhibit 11: The gigaproject pipeline — Transformational scale

Project	Developer	Scale	Expected Online
Stargate / OpenAI - Texas campus	Oracle / Microsoft / OpenAI	1.2 GW (Phase 1)	Mid-2026
Stargate - 5 new sites	Oracle / SoftBank / OpenAI	5.4 GW leased total	2026-2028
Meta Hyperion - Louisiana	Meta	5 GW (Manhattan-sized)	~2028
Meta Prometheus - Ohio	Meta	1 GW (first gigawatt DC)	~2026
Delta Gigasite - (planned)	Creekstone Energy	10 GW (within decade)	2028-2034
Northern Virginia expansion	Multiple operators	16.8 GW pipeline	2025-2030

Source: Industry Reports, MOSFL

Exhibit 12: Developers expect one-third of data center sites to exceed 1GW in scale by 2035
Distribution of data center sizes expected to be a part of developers' portfolios


Source: Bloom Energy Data Center Survey (Nov. 2025), MOSFL

Exhibit 13: All sources indicating an exponential growth in power requirement from data centers

Source	2025 Demand	2030 Projection
IEA (International Energy Agency)	415 TWh (1.5% of global)	945 TWh (doubling)
Gartner	448 TWh	980 TWh
451 Research (S&P Global)	61.8 GW (US only)	134.4 GW (US only)
Bloomberg NEF	N/A	106 GW (US only, by 2035)

Source: Industry Reports, MOSFL

Exhibit 14: BE ends CY25 on strong footing with robust growth outlook for CY26
Order Backlog as of Dec'25

\$ in billions	Current	2024	YoY
Product Backlog ^{1&2}	~\$6.0	\$2.5	~↑ 2.5X
Service Backlog ³	~\$14.0	\$9.6	~↑ 1.5X

2026 Guidance

Metric	2026 Guidance	YoY
Total Revenue	\$3.1B - \$3.3B	>50%
Non-GAAP Gross Margin ¹	~32%	+200 bps
Non-GAAP Operating Income ¹	\$425M - \$475M	~↑ 2x
Adjusted EPS ¹	\$1.33 - \$1.48	~↑ 2x

Source: Bloom Energy, MOSFL

Story in chart

Exhibit 15: Revenue mix

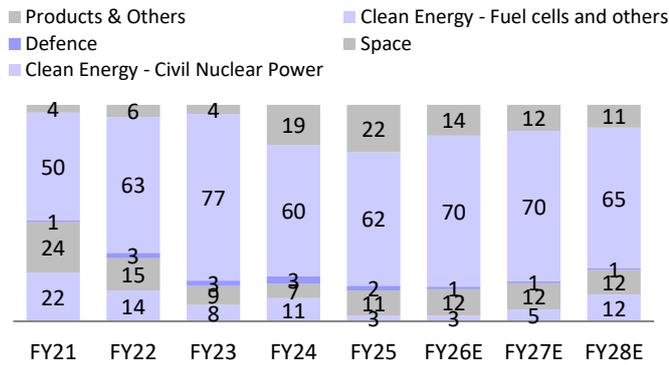


Exhibit 16: Order book mix trend

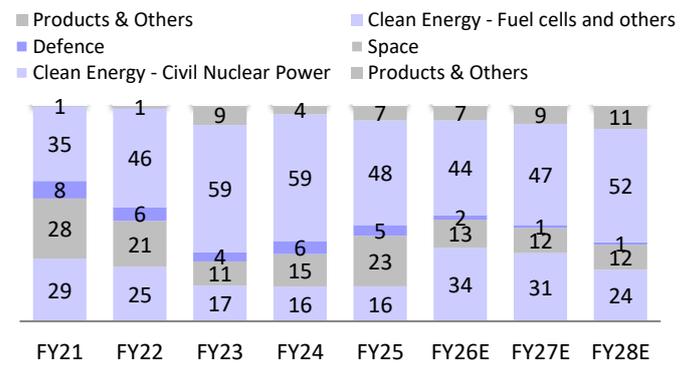


Exhibit 17: Strong revenue trajectory

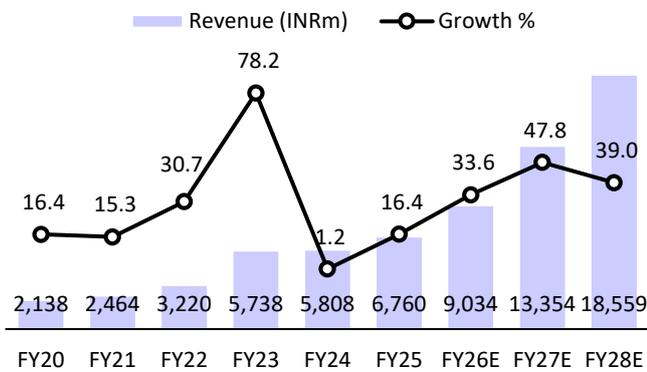


Exhibit 18: Improving EBITDA margin trend

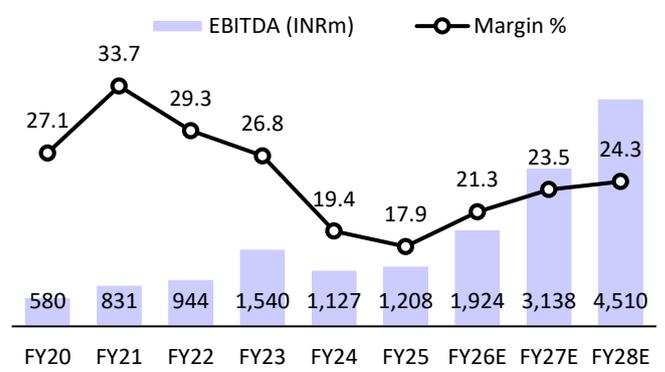


Exhibit 19: Robust earnings trajectory

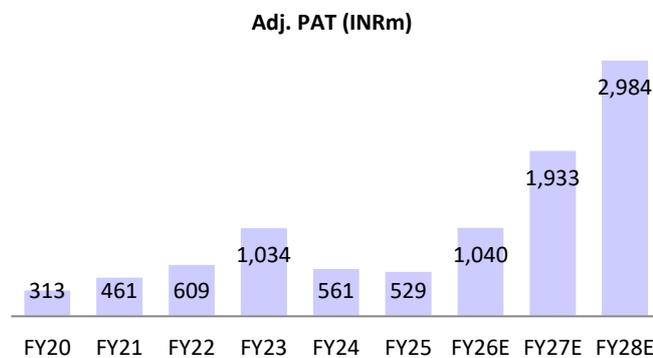


Exhibit 20: Healthy return ratios

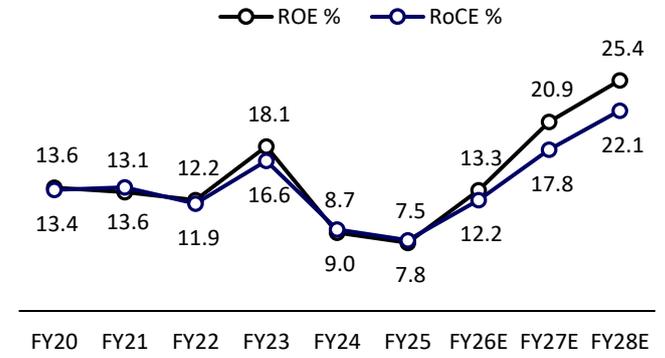


Exhibit 21: Robust cash flow generation

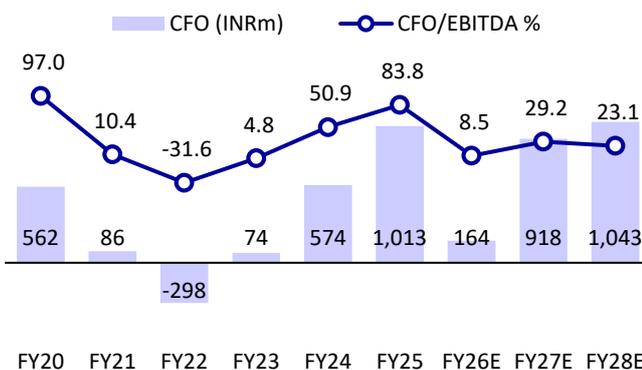
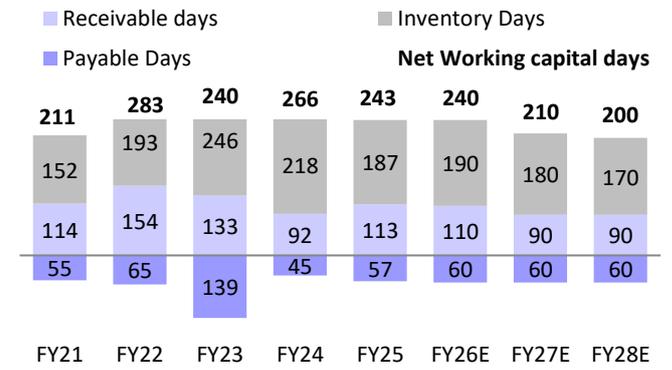


Exhibit 22: Improving WC



Source: Company, MOFSL

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement									(INRm)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	2,138	2,464	3,220	5,738	5,808	6,760	9,034	13,354	18,559
Change (%)	16	15	31	78	1	16	34	48	39
RM Cost	835	912	1,163	2,695	3,024	3,419	4,577	6,610	9,131
Employees Cost	516	530	708	935	970	1,238	1,489	2,003	2,784
Other Expenses	208	192	406	568	687	895	1,044	1,603	2,134
Total Expenditure	1,558	1,634	2,276	4,198	4,681	5,552	7,110	10,216	14,049
EBITDA	580	831	944	1,540	1,127	1,208	1,924	3,138	4,510
Margin (%)	27.1	33.7	29.3	26.8	19.4	17.9	21.3	23.5	24.3
Depreciation	121	126	143	187	232	322	358	397	440
EBIT	459	705	801	1,353	895	886	1,566	2,741	4,070
Int. and Finance Charges	48	70	66	146	223	222	257	291	267
Other Income	44	13	88	195	58	52	82	134	186
PBT bef. EO Exp.	455	648	822	1,402	730	716	1,391	2,584	3,988
EO Items	0	0	0	0	0	0	38	0	0
PBT after EO Exp.	455	648	822	1,402	730	716	1,353	2,584	3,988
Total Tax	142	188	213	368	169	187	341	650	1,004
Tax Rate (%)	31.2	29.0	26.0	26.2	23.2	26.1	25.2	25.2	25.2
Reported PAT	313	461	609	1,034	561	529	1,011	1,933	2,984
Adjusted PAT	313	461	609	1,034	561	529	1,040	1,933	2,984
Change (%)	-20.1	47.1	32.2	69.9	-45.7	-5.8	96.6	86.0	54.3
Margin (%)	14.6	18.7	18.9	18.0	9.7	7.8	11.5	14.5	16.1

Consolidated - Balance Sheet									(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	268	308	308	308	308	308	308	308	308
Total Reserves	1,983	4,460	4,890	5,894	6,456	6,982	7,993	9,926	12,910
Net Worth	2,251	4,768	5,197	6,201	6,763	7,289	8,301	10,234	13,218
Total Loans	291	170	959	1,434	1,909	1,773	2,773	2,873	2,473
Deferred Tax Liabilities	53	127	163	182	209	224	224	224	224
Capital Employed	2,595	5,064	6,319	7,817	8,881	9,285	11,297	13,330	15,914
Gross Block	2,028	2,273	2,710	3,842	4,569	5,873	6,798	7,633	8,360
Less: Accum. Deprn.	477	603	746	932	1,164	1,486	1,844	2,242	2,682
Net Fixed Assets	1,551	1,671	1,964	2,910	3,405	4,387	4,954	5,392	5,678
Capital WIP	117	105	438	644	729	532	606	471	444
Total Investments	0	0	623	275	0	0	0	0	0
Curr. Assets, Loans&Adv.	1,794	4,087	4,252	6,804	5,942	6,384	8,396	11,265	14,884
Inventory	755	1,025	1,703	3,866	3,476	3,461	4,703	6,586	8,644
Account Receivables	616	773	1,360	2,084	1,466	2,098	2,723	3,293	4,576
Cash and Bank Balance	233	1,909	669	312	508	169	158	318	179
Loans and Advances	191	380	520	543	492	657	813	1,068	1,485
Curr. Liability & Prov.	868	799	958	2,816	1,196	2,017	2,659	3,798	5,092
Account Payables	306	371	570	2,182	714	1,061	1,485	2,195	3,051
Other Current Liabilities	495	397	353	559	422	872	1,084	1,469	1,856
Provisions	67	32	35	75	59	85	90	134	186
Net Current Assets	927	3,288	3,294	3,989	4,747	4,367	5,736	7,467	9,792
Appl. of Funds	2,595	5,064	6,319	7,817	8,881	9,285	11,297	13,330	15,914

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS	11.7	15.0	19.8	33.6	18.2	17.2	33.8	62.9	97.0
Cash EPS	16.2	19.1	24.4	39.7	25.8	27.7	45.4	75.8	111.3
BV/Share	84.1	155.0	169.0	201.6	219.9	237.0	269.9	332.7	429.7
Valuation (x)									
P/E	315.5	246.5	186.5	109.8	202.3	214.7	109.2	58.7	38.0
Cash P/E	227.8	193.7	151.0	93.0	143.2	133.4	81.2	48.7	33.2
P/BV	43.9	23.8	21.8	18.3	16.8	15.6	13.7	11.1	8.6
EV/Sales	46.2	45.4	35.2	19.9	19.8	17.0	12.9	8.7	6.2
EV/EBITDA	170.5	134.6	119.9	74.3	102.0	95.3	60.4	37.0	25.7
FCF per share	16.6	-4.6	-39.3	-32.6	-11.8	0.7	-27.2	7.1	11.1
Return Ratios (%)									
RoE	13.6	13.1	12.2	18.1	8.7	7.5	13.3	20.9	25.4
RoCE	13.4	13.6	11.9	16.6	9.0	7.8	12.2	17.8	22.1
RoIC	13.4	18.9	15.5	17.9	9.7	8.1	12.2	17.8	21.9
Working Capital Ratios									
Fixed Asset Turnover (x)	1.1	1.1	1.2	1.5	1.3	1.2	1.3	1.7	2.2
Asset Turnover (x)	0.8	0.5	0.5	0.7	0.7	0.7	0.8	1.0	1.2
Inventory (Days)	129	152	193	246	218	187	190	180	170
Debtor (Days)	105	114	154	133	92	113	110	90	90
Creditor (Days)	52	55	65	139	45	57	60	60	60
Leverage Ratio (x)									
Current Ratio	2.1	5.1	4.4	2.4	5.0	3.2	3.2	3.0	2.9
Interest Cover Ratio	9.6	10.1	12.0	9.3	4.0	4.0	6.1	9.4	15.2
Net Debt/Equity	0.0	-0.4	-0.1	0.1	0.2	0.2	0.3	0.2	0.2

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	455	648	822	1,402	730	716	1,391	2,584	3,988
Depreciation	121	126	143	187	232	322	358	397	440
Interest & Finance Charges	38	57	66	146	165	222	175	157	82
Direct Taxes Paid	-72	-117	-180	-323	-213	-134	-341	-650	-1,004
(Inc)/Dec in WC	26	-617	-1,079	-1,291	-372	-89	-1,381	-1,570	-2,464
CF from Operations	567	97	-227	121	543	1,036	202	918	1,043
Others	-5	-11	-71	-47	31	-24	-38	0	0
CF from Operating incl EO	562	86	-298	74	574	1,013	164	918	1,043
(Inc)/Dec in FA	-119	-228	-911	-1,078	-938	-990	-1,000	-700	-700
Free Cash Flow	443	-142	-1,209	-1,004	-364	23	-836	218	343
(Pur)/Sale of Investments	0	0	-780	377	298	-48	0	0	0
Others	-2	8	241	-166	83	11	82	134	186
CF from Investments	-121	-220	-1,450	-867	-556	-1,027	-918	-566	-514
Issue of Shares	0	2,127	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-5	-122	789	457	476	-137	1,000	100	-400
Interest Paid	-59	-64	0	-137	-223	-222	-257	-291	-267
Dividend Paid	-170	-80	-185	0	0	0	0	0	0
Others	-179	-60	-64	0	0	0	0	0	0
CF from Fin. Activity	-414	1,802	541	320	253	-358	743	-191	-667
Inc/Dec of Cash	28	1,667	-1,207	-473	270	-373	-12	160	-139
Opening Balance	108	233	1,909	670	312	508	169	158	318
Other cash & cash equivalent	97	9	-32	116	-74	34	0	0	
Closing Balance	233	1,909	670	312	508	169	158	318	179

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at

<http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000.

Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.