

Zen Technologies

| | |
|-----------------|---|
| Estimate change |  |
| TP change |  |
| Rating change |  |

| | |
|-----------------------|-------------|
| Bloomberg | ZEN IN |
| Equity Shares (m) | 90 |
| M.Cap.(INRb)/(USDb) | 152.7 / 1.8 |
| 52-Week Range (INR) | 2628 / 945 |
| 1, 6, 12 Rel. Per (%) | -8/-1/11 |
| 12M Avg Val (INR M) | 1182 |

Financials Snapshot (INR b)

| Y/E MARCH | FY26E | FY27E | FY28E |
|-------------------|-------|-------|-------|
| Sales | 8.1 | 13.1 | 18.2 |
| EBITDA | 3.0 | 4.9 | 6.7 |
| EBITDA Margin (%) | 37.0 | 37.0 | 37.0 |
| PAT | 2.7 | 4.2 | 5.5 |
| EPS (INR) | 29.8 | 46.7 | 61.2 |
| EPS Growth (%) | 2.3 | 56.7 | 31.1 |
| BV/Share (INR) | 216.8 | 263.5 | 324.7 |
| Ratios | | | |
| Net D/E | -0.7 | -0.6 | -0.5 |
| RoE (%) | 14.7 | 19.4 | 20.8 |
| RoCE (%) | 14.7 | 19.4 | 20.8 |
| Valuations | | | |
| P/E (x) | 56.7 | 36.2 | 27.6 |
| P/BV (x) | 7.8 | 6.4 | 5.2 |
| EV/EBITDA (x) | 47.1 | 29.0 | 20.6 |

Shareholding pattern (%)

| As On | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 49.1 | 49.1 | 55.1 |
| DII | 8.8 | 9.5 | 3.4 |
| FII | 6.5 | 6.4 | 3.6 |
| Others | 35.7 | 35.1 | 37.9 |

FII Includes depository receipts

CMP: INR1,691

TP: INR1,650 (-2%)

Neutral

Soft start to the year

ZEN posted weak numbers in 1QFY26, with a miss on revenue and PAT. ZEN's execution was impacted by design changes in an existing project and lower-than-expected order inflows so far in FY26. The company expects inflows to start ramping up from 2QFY26, thereby supporting execution. To bake in lower inflows and execution in 1QFY26, we cut our estimates by 22%/18% for FY26/FY27 and revise the TP to INR1,650 (from INR1,850), based on 30x Sep'27E EPS. The stock is currently trading at a P/E of 56.7x/36.2x/27.6x on FY26/27/28E EPS. Our estimates bake in a CAGR of 25%/28% in revenue/PAT over FY25-28 with strong EBITDA margin of 37%. We maintain our Neutral stance on the stock and would look for order inflow announcements for further sustainability of revenues going forward.

Weak set of results

ZEN reported weak results in 1QFY26, with a miss on revenue and PAT. Revenue declined 56% YoY to INR1.1b, due to design modifications in a major equipment order, resulting in deferment of INR500-700m in revenue. Gross margins were 90bp below our expectation at 55.1% vs. our estimate of 56%. Absolute EBITDA fell by 63% YoY to INR380m, resulting in PAT of INR371m, which was aided by higher other income. PAT margin expanded 420bp YoY to 33.4% vs. our est. of 31.4%. As of Jun'25, the standalone order book stood at ~INR6.1b. During the quarter, ZEN acquired shares representing 76% of the total paid-up share capital of TISA Aerospace for a consideration of INR65.6m.

Awaiting procurement normalization

The standalone order book stood at INR6.1b, while subsidiaries contributed INR1.5b to the consolidated order book. Within the standalone segment, INR2.6b was attributed to AMC and the remaining INR3.5b represented equipment orders, which included both simulators and anti-drone systems. Specifically, simulator orders were valued at ~INR2.8b and anti-drone systems at ~INR640m. Management highlighted the possibility of a simulator order worth INR6.5b in 2QFY26, which could materially enhance execution visibility in 2HFY26. However, the current moderation in order inflows reflects a temporary delay in standard procurement activity, as the government remains focused on emergency purchases after Operation Sindoar. While we remain constructive on ZEN's long-term positioning in high-impact defense domains, the near-term softness in order momentum and execution warrants a cautious stance. We await order inflow announcements over the next couple of quarters for greater visibility on earnings.

Strengthening indigenous IP play with strategic acquisitions

In Jun'25, ZEN acquired a 76% stake in TISA Aerospace for INR65.6m, marking its entry into the high-growth loitering munitions (kamikaze drones) segment. TISA has previously delivered systems to DRDO and is currently developing multiple variants for the Indian Army. This acquisition complements ZEN's expertise in anti-drone systems and propulsion, enabling the company to accelerate the development of next-generation loitering munitions. ZEN is also actively investing in product upgrades, targeting commercialization within 12-18 months. The move aligns with ZEN's strategy of owning indigenous IP in critical defense technologies, enhancing its relevance in modern warfare and broadening its portfolio.

Guidance and other updates

Despite a slow start to FY26, management maintains its previous guidance of 50% CAGR in revenue, achieving cumulative revenue of INR60b over FY26-28, with EBITDA margin/PAT margin of 35%/25% across the years. Management expects this to be supported by 1) pick-up of regular procurement cycle; 2) finalization of emergency procurement orders; 3) increased exports across Africa, the Middle East, the US & Latin America, CIS countries, Southeast Asia, and NATO-aligned countries; and 4) inorganic growth led by execution ramp-up of its subsidiaries (revenue of INR1.7b expected from US-based ARI and INR800m from other subsidiaries such as UTS).

Financial outlook

We trim our estimates by 22%/18% for FY26/27 to factor in the impact of the current temporary slowdown on near-term execution. We expect a CAGR of 25%/29%/28% in revenue/EBITDA/PAT during FY25-28. This will be supported by 1) finalization of orders across simulators and anti-drones; 2) EBITDA margin of ~37% for FY26-FY28, and 3) control over working capital due to improved collections.

Valuation and view

The stock currently trades at 56.7x/36.2x/27.6x P/E on FY26/27/28E earnings. While we remain positive about the company and its ability to capitalize on upcoming demand for simulators and anti-drones, our estimates and current valuations capture the positives related to upcoming orders and correspondingly a 28% PAT CAGR over FY25-28. We factor in 1Q performance and arrive at a **revised TP of INR1,650** (from INR1,850 earlier), **based on 30x Sep'27E earnings. Reiterate Neutral.**

Key risks and concerns

Any slowdown in procurement from the defense industry, especially for simulators, can expose the company to the risk of reduced order inflows and hinder its growth. ZEN is also exposed to foreign currency risks for its export revenue. High working capital can also pose risks to cash flows, as historically, its working capital has remained high due to issues related to high debtors and high inventories. This is likely to come down due to improved collections and lower inventory, as per management. However, any delays in the same can affect cash flows for FY26-28.

| Standalone - Quarterly Earning Model | | | | | | | | | | | (INR m) | |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Y/E March | FY25 | | | | FY26E | | | | FY25 | FY26 | FY26E | Est |
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE | | | 1QE | Var (%) |
| Net Sales | 2,540 | 2,417 | 1,415 | 2,935 | 1,111 | 1,460 | 1,866 | 3,675 | 9,307 | 8,112 | 2,589 | (57) |
| YoY Change (%) | 91.7 | 277.4 | 44.3 | 116.3 | (56.3) | (39.6) | 31.8 | 25.2 | 116.3 | (12.8) | (39.8) | |
| Total Expenditure | 1,508 | 1,623 | 1,048 | 1,991 | 730 | 942 | 1,166 | 2,272 | 6,169 | 5,110 | 1,657 | (56) |
| EBITDA | 1,032 | 794 | 367 | 944 | 380 | 518 | 700 | 1,403 | 3,137 | 3,001 | 932 | (59) |
| Margins (%) | 40.6 | 32.9 | 26.0 | 32.2 | 34.3 | 35.5 | 37.5 | 38.2 | 33.7 | 37.0 | 36.0 | |
| Depreciation | 22 | 23 | 26 | 29 | 31 | 32 | 32 | 35 | 101 | 130 | 31 | (1) |
| Interest | 10 | 21 | 27 | 36 | 14 | 25 | 26 | 39 | 94 | 104 | 25 | (44) |
| Other Income | 30 | 84 | 220 | 244 | 199 | 212 | 212 | 224 | 578 | 846 | 217 | (8) |
| PBT | 1,030 | 835 | 534 | 1,122 | 535 | 673 | 853 | 1,553 | 3,520 | 3,614 | 1,094 | (51) |
| Tax | 288 | 182 | 147 | 273 | 164 | 172 | 218 | 371 | 890 | 925 | 280 | (42) |
| Rate (%) | 28.0 | 21.8 | 27.6 | 24.3 | 30.6 | 25.6 | 25.6 | 23.9 | 25.3 | 25.6 | 25.6 | |
| Reported PAT | 742 | 652 | 386 | 849 | 371 | 501 | 634 | 1,182 | 2,630 | 2,689 | 814 | (54) |
| Adj PAT | 742 | 652 | 386 | 849 | 371 | 501 | 634 | 1,182 | 2,630 | 2,689 | 814 | (54) |
| YoY Change (%) | 57.4 | 276.1 | 21.9 | 177.3 | (50.0) | (23.3) | 64.3 | 39.2 | 107.3 | 2.3 | (35.8) | |
| Margins (%) | 29.2 | 27.0 | 27.3 | 28.9 | 33.4 | 34.3 | 34.0 | 32.2 | 28.3 | 33.1 | 31.4 | |



Conference call highlights

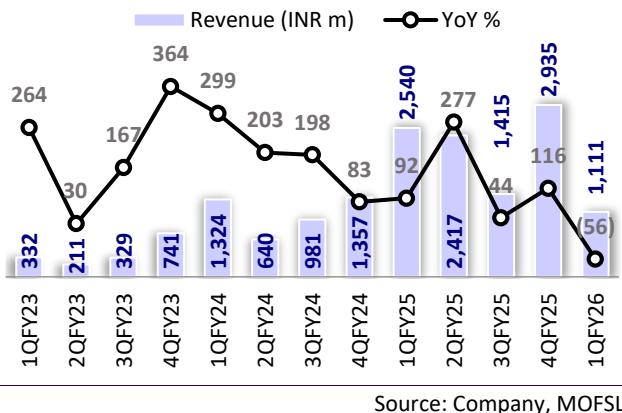
- Revenue disappointment in 1QFY26:** Revenues dropped significantly due to design modifications in a major equipment order by end-user. A deferred revenue of ~INR500m-700m is expected to be recognized in 2QFY26.
- Order book split:** The standalone order book stood at INR6.05b, while subsidiaries contributed INR1.48b to the consolidated order book. Within the standalone segment, INR2.6b was attributed to AMC, and the remaining INR3.5b represented equipment orders, which included both simulators and anti-drone systems. Specifically, simulator orders were valued at ~INR2.8b, and anti-drone systems at ~INR640m. Management also highlighted an imminent simulator order worth INR6.5b, expected in 2QFY26, which would significantly augment the order book and provide execution visibility for 2HFY26 and beyond.
- Export opportunities:** The company is actively targeting export markets, including Africa, the Middle East, CIS countries, Southeast Asia, and NATO-aligned countries. In particular, the US and Latin America are being approached through ZEN's US-based subsidiary, ARI, which has a robust dealer network in multiple regions including Japan. While some export orders are expected to materialize in 2HFY26, the company considers FY27 a potentially breakthrough year for exports.
- Demand outlook:** While the demand environment remains strong, the company acknowledged that the procurement cycle has slowed due to the government's focus on emergency purchases following Operation Sindoor. However, these delays are seen as temporary, and management expects regular procurement cycles to pick up from 3QFY26.
- Future inflows timeline and size:** Management expects a substantial increase in its order inflows over the next few months. A simulator order worth INR6.5b is anticipated by Sep'25, where ZEN is currently the sole qualified vendor. In

addition, the company expects significant orders under the emergency procurement window for anti-drone systems, particularly those with hard-kill capabilities, to be finalized during 2HFY26.

- **Guidance maintained:** Despite the slow start to FY26, management reaffirmed its long-term revenue guidance and strategic roadmap. While FY26 is likely to be flat or only modestly positive due to 1H delays, management expects to deliver significant growth in FY27 and FY28, driven by strong inflows and execution. Additionally, ZEN is investing heavily in becoming an AI-native organization, integrating AI across its products, operations, and financial systems to drive innovation and efficiency.
- **Subsidiary guidance:** ARI, the US-based subsidiary, is expected to contribute INR1.7b in revenue in FY26, while other subsidiaries like Vector Technics and UTS are expected to contribute INR800m. After accounting for intercompany eliminations, the total consolidated contribution from subsidiaries is projected to be around INR2.5b. These businesses are also expected to maintain EBITDA margins of ~35% and PAT margins of ~25%, consistent with ZEN's margin benchmarks. The company also announced its plan to increase ownership in ARI from 76% to 100% by year-end, reflecting its long-term confidence in the international business.

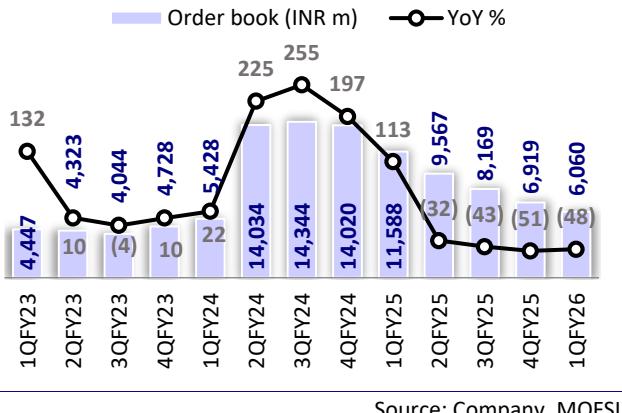
Key Exhibits

Exhibit 1: Total revenue declined 56% YoY on slower-than-expected execution



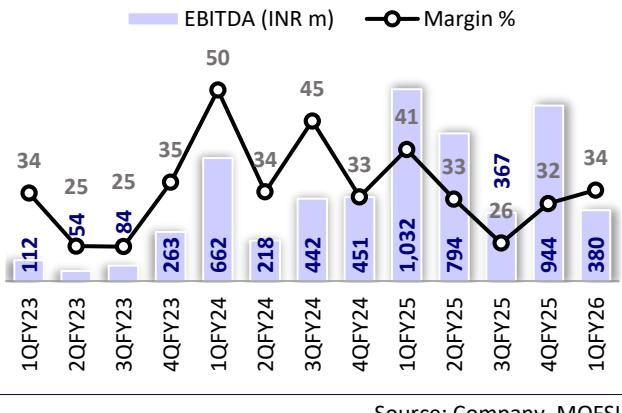
Source: Company, MOFSL

Exhibit 3: Order book decreased by 48% YoY mainly due to delayed ordering from the government



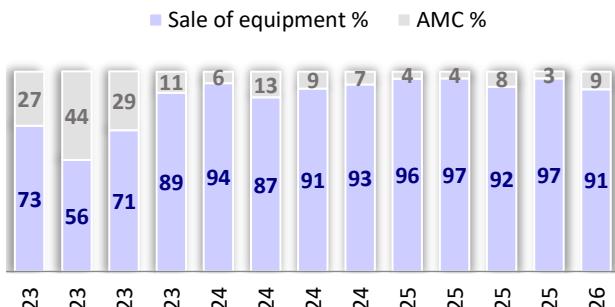
Source: Company, MOFSL

Exhibit 5: EBITDA declined 63% YoY on a high-based, while margin contracted 630bp YoY to 34.3%



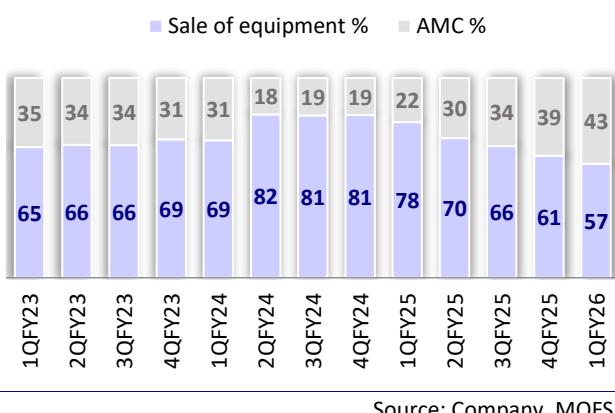
Source: Company, MOFSL

Exhibit 2: Share of revenue from equipment sales remains a major contributor



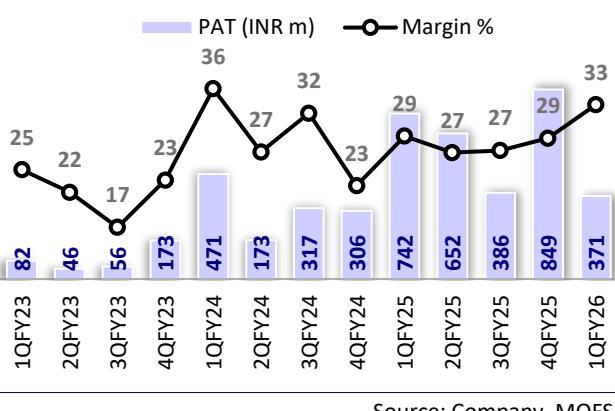
Source: Company, MOFSL

Exhibit 4: Share of AMC has been on a rise since 1QFY25 on faster execution of equipment orders



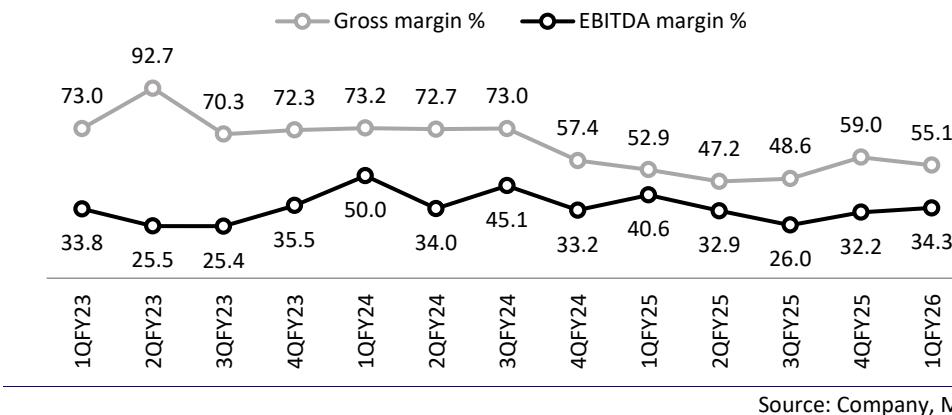
Source: Company, MOFSL

Exhibit 6: PAT decreased 50% YoY, while PAT margin expanded 420bp YoY to 33.4%



Source: Company, MOFSL

Exhibit 7: Gross margin expanded 320bp YoY, while EBITDA margin contracted but was broadly in line with management guidance for full-year



Source: Company, MOFSL

Exhibit 8: We lower our estimates to factor in 1Q performance and slower-than-expected pace of execution

| (INR m) | FY26E | | | FY27E | | | FY28E |
|------------|-------|--------|---------|--------|--------|---------|--------|
| | Rev | Old | Chg (%) | Rev | Old | Chg (%) | New |
| Net Sales | 8,112 | 10,789 | (24.8) | 13,116 | 16,734 | (21.6) | 18,236 |
| EBITDA | 3,001 | 3,992 | (24.8) | 4,853 | 6,192 | (21.6) | 6,747 |
| EBITDA (%) | 37.0 | 37.0 | 0 bp | 37.0 | 37.0 | 0 bp | 37.0 |
| Adj. PAT | 2,689 | 3,426 | (21.5) | 4,214 | 5,156 | (18.3) | 5,526 |
| EPS (INR) | 29.8 | 37.9 | (21.5) | 46.7 | 57.1 | (18.3) | 61 |

Source: MOFSL

Financial outlook

Exhibit 9: We expect ZEN to clock 25% revenue CAGR over FY25-FY28

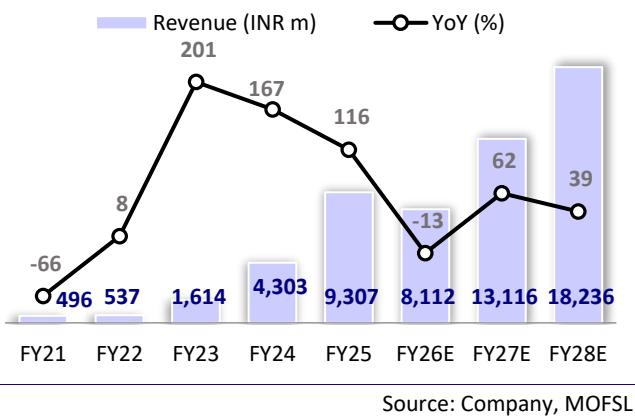


Exhibit 10: Gross margin to normalize and remain at comfortable levels beyond FY25

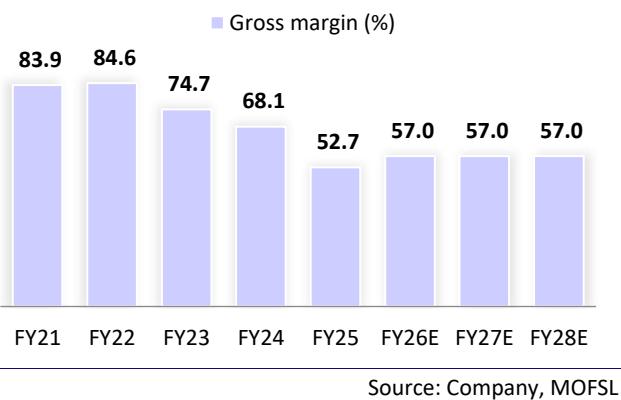


Exhibit 11: EBITDA margin to remain above 35%

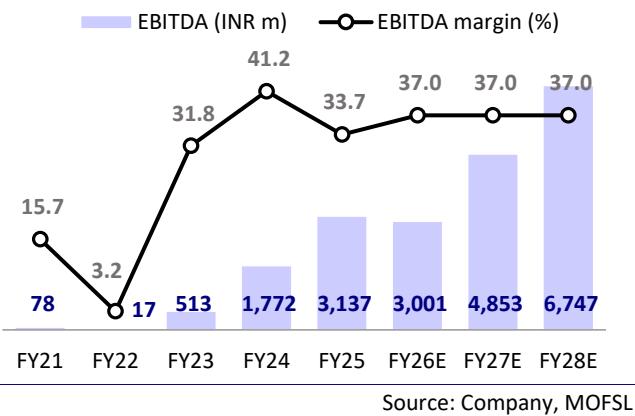


Exhibit 12: We expect 28% PAT CAGR over FY25-FY28

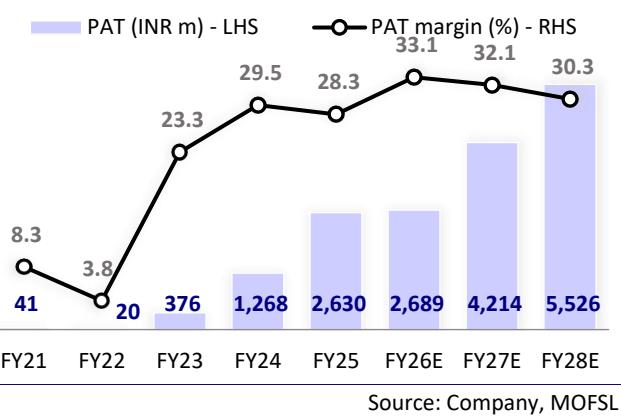


Exhibit 13: OCF and FCF to be lumpy over the years

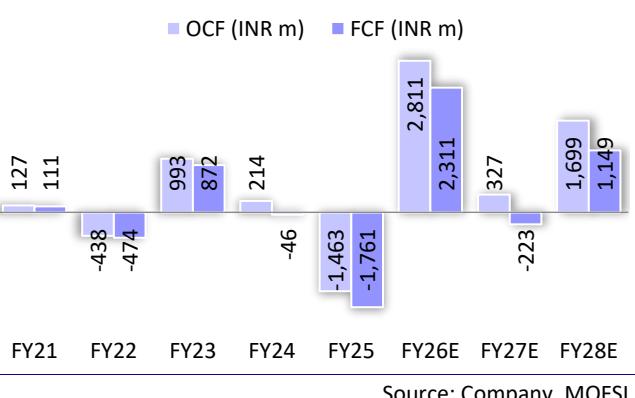


Exhibit 14: NWC to stabilize on improved collections

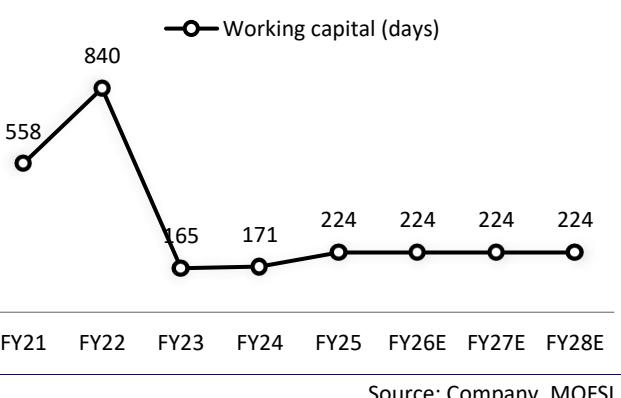
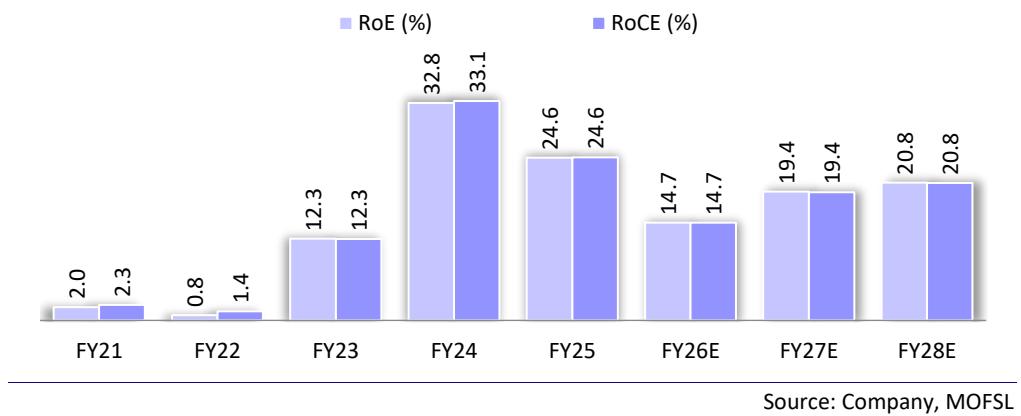
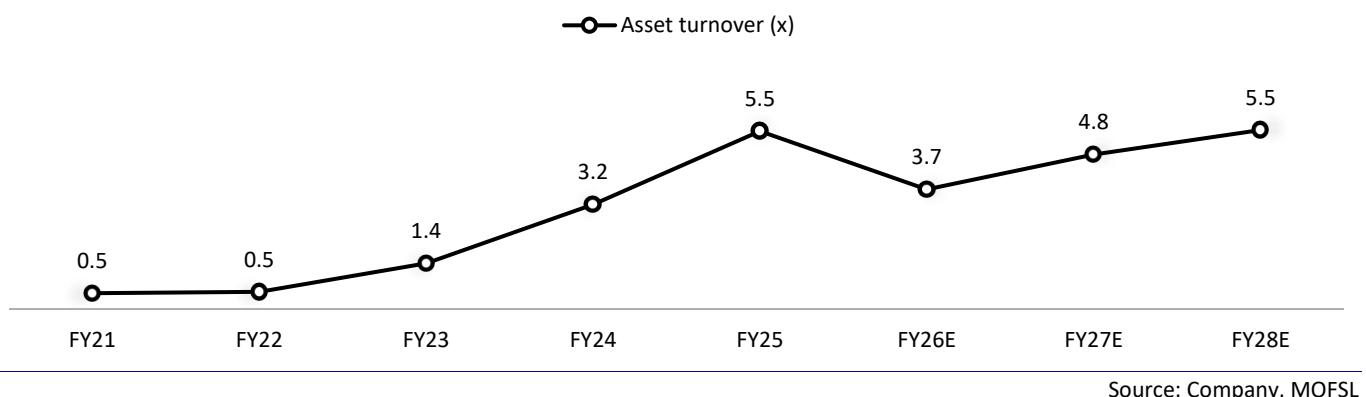


Exhibit 15: ROE and ROCE expected to reach above 20% levels



Source: Company, MOFSL

Exhibit 16: With an improved product mix, we expect the asset turnover ratio to improve



Source: Company, MOFSL

Financials and valuations

| Standalone - Income Statement | | | | | | | | | (INR m) |
|-------------------------------------|--------------|------------|------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Y/E Mar | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
| Total Income from Operations | 1,470 | 496 | 537 | 1,614 | 4,303 | 9,307 | 8,112 | 13,116 | 18,236 |
| Change (%) | 59.4 | -66.3 | 8.4 | 200.6 | 166.5 | 116.3 | -12.8 | 61.7 | 39.0 |
| Raw Materials | 390 | 80 | 83 | 408 | 1,373 | 4,402 | 3,488 | 5,640 | 7,841 |
| Gross Profit | 1,080 | 416 | 454 | 1,206 | 2,930 | 4,904 | 4,624 | 7,476 | 10,394 |
| Employee Cost | 167 | 127 | 148 | 228 | 432 | 570 | 568 | 918 | 1,277 |
| Other Expenses | 278 | 211 | 289 | 465 | 726 | 1,197 | 1,055 | 1,705 | 2,371 |
| Total Expenditure | 834 | 418 | 520 | 1,102 | 2,530 | 6,169 | 5,110 | 8,263 | 11,489 |
| % of Sales | 56.7 | 84.3 | 96.8 | 68.2 | 58.8 | 66.3 | 63.0 | 63.0 | 63.0 |
| EBITDA | 636 | 78 | 17 | 513 | 1,772 | 3,137 | 3,001 | 4,853 | 6,747 |
| Margin (%) | 43.3 | 15.7 | 3.2 | 31.8 | 41.2 | 33.7 | 37.0 | 37.0 | 37.0 |
| Depreciation | 38 | 40 | 37 | 44 | 73 | 101 | 130 | 165 | 202 |
| EBIT | 599 | 38 | -20 | 469 | 1,699 | 3,036 | 2,871 | 4,688 | 6,546 |
| Int. and Finance Charges | 32 | 10 | 14 | 20 | 18 | 94 | 104 | 114 | 125 |
| Other Income | 19 | 29 | 53 | 91 | 139 | 578 | 846 | 1,090 | 1,007 |
| PBT bef. EO Exp. | 586 | 57 | 19 | 539 | 1,820 | 3,520 | 3,614 | 5,664 | 7,427 |
| EO Items | -1 | 0 | -2 | 14 | -24 | 0 | 0 | 0 | 0 |
| PBT after EO Exp. | 587 | 57 | 20 | 525 | 1,844 | 3,520 | 3,614 | 5,664 | 7,427 |
| Total Tax | -20 | 16 | -2 | 163 | 552 | 890 | 925 | 1,450 | 1,901 |
| Tax Rate (%) | -3.3 | 27.8 | -7.9 | 31.0 | 29.9 | 25.3 | 25.6 | 25.6 | 25.6 |
| Reported PAT | 606 | 41 | 22 | 362 | 1,292 | 2,630 | 2,689 | 4,214 | 5,526 |
| Adjusted PAT | 605 | 41 | 20 | 376 | 1,268 | 2,630 | 2,689 | 4,214 | 5,526 |
| Change (%) | 214.4 | -93.2 | -50.5 | 1,753.7 | 237.0 | 107.3 | 2.3 | 56.7 | 31.1 |
| Margin (%) | 41.2 | 8.3 | 3.8 | 23.3 | 29.5 | 28.3 | 33.1 | 32.1 | 30.3 |

| Standalone - Balance Sheet | | | | | | | | | (INR m) |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Y/E Mar | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
| Equity Share Capital | 77 | 80 | 80 | 80 | 84 | 90 | 90 | 90 | 90 |
| Total Reserves | 1,910 | 2,052 | 2,837 | 3,112 | 4,447 | 16,800 | 19,488 | 23,703 | 29,228 |
| Net Worth | 1,988 | 2,132 | 2,917 | 3,192 | 4,531 | 16,890 | 19,579 | 23,793 | 29,319 |
| Minority Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Loans | 9 | 9 | 123 | 59 | 0 | 522 | 522 | 522 | 522 |
| Deferred Tax Liabilities | -203 | -206 | -201 | -134 | 63 | 2 | 2 | 2 | 2 |
| Capital Employed | 1,794 | 1,935 | 2,839 | 3,117 | 4,595 | 17,414 | 20,103 | 24,317 | 29,843 |
| Gross Block | 995 | 1,012 | 1,016 | 1,142 | 1,326 | 1,689 | 2,189 | 2,739 | 3,289 |
| Less: Accum. Deprn. | 351 | 391 | 425 | 468 | 541 | 642 | 772 | 937 | 1,139 |
| Net Fixed Assets | 644 | 621 | 591 | 674 | 785 | 1,047 | 1,417 | 1,802 | 2,151 |
| Goodwill on Consolidation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital WIP | 0 | 0 | 25 | 19 | 107 | 70 | 70 | 70 | 70 |
| Total Investments | 159 | 241 | 243 | 243 | 263 | 2,185 | 2,185 | 2,185 | 2,185 |
| Curr. Assets, Loans & Adv. | 1,128 | 1,169 | 2,517 | 3,394 | 6,029 | 15,452 | 17,599 | 22,149 | 28,064 |
| Inventory | 104 | 86 | 142 | 411 | 1,334 | 510 | 445 | 719 | 1,000 |
| Account Receivables | 444 | 174 | 196 | 662 | 1,691 | 3,784 | 3,298 | 5,333 | 7,414 |
| Cash and Bank Balance | 185 | 333 | 761 | 1,472 | 1,422 | 8,392 | 11,445 | 12,199 | 14,229 |
| Loans and Advances | 299 | 563 | 1,404 | 812 | 1,564 | 2,753 | 2,399 | 3,880 | 5,394 |
| Other Current Asset | 96 | 13 | 15 | 36 | 17 | 13 | 12 | 19 | 26 |
| Curr. Liability & Prov. | 138 | 95 | 538 | 1,213 | 2,589 | 1,340 | 1,168 | 1,889 | 2,627 |
| Account Payables | 111 | 78 | 520 | 1,190 | 2,559 | 1,309 | 1,141 | 1,845 | 2,565 |
| Other Current Liabilities | 16 | 17 | 18 | 23 | 0 | 0 | 0 | 0 | 0 |
| Provisions | 10 | 1 | 0 | 0 | 31 | 31 | 27 | 44 | 61 |
| Net Current Assets | 990 | 1,074 | 1,979 | 2,181 | 3,440 | 14,112 | 16,431 | 20,260 | 25,437 |
| Appl. of Funds | 1,793 | 1,935 | 2,839 | 3,117 | 4,595 | 17,414 | 20,103 | 24,317 | 29,843 |

Financials and valuations

Ratios

| Y/E Mar | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|-------------------------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | | | |
| EPS | 6.7 | 0.5 | 0.2 | 4.2 | 14.0 | 29.1 | 29.8 | 46.7 | 61.2 |
| Cash EPS | 7.1 | 0.9 | 0.6 | 4.7 | 14.9 | 30.2 | 31.2 | 48.5 | 63.4 |
| BV/Share | 22.0 | 23.6 | 32.3 | 35.4 | 50.2 | 187.1 | 216.8 | 263.5 | 324.7 |
| DPS | 0.4 | 0.1 | 0.1 | 0.2 | 1.0 | 2.0 | 0.0 | 0.0 | 0.0 |
| Payout (%) | 5.1 | 19.4 | 39.2 | 4.2 | 6.6 | 6.9 | 0.0 | 0.0 | 0.0 |
| Valuation (x) | | | | | | | | | |
| P/E | 251.8 | 3,717.5 | 7,508.3 | 405.0 | 120.2 | 58.0 | 56.7 | 36.2 | 27.6 |
| Cash P/E | 237.1 | 1,884.0 | 2,646.2 | 362.8 | 113.6 | 55.8 | 54.1 | 34.8 | 26.6 |
| P/BV | 76.7 | 71.5 | 52.3 | 47.8 | 33.6 | 9.0 | 7.8 | 6.4 | 5.2 |
| EV/Sales | 103.6 | 306.8 | 282.6 | 93.5 | 35.1 | 15.5 | 17.4 | 10.7 | 7.6 |
| EV/EBITDA | 239.4 | 1,960.0 | 8,824.5 | 294.5 | 85.2 | 46.1 | 47.1 | 29.0 | 20.6 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| FCF per share | 6.9 | 1.3 | -5.2 | 9.7 | -0.5 | -19.5 | 25.6 | -2.5 | 12.7 |
| Return Ratios (%) | | | | | | | | | |
| RoE | 35.6 | 2.0 | 0.8 | 12.3 | 32.8 | 24.6 | 14.7 | 19.4 | 20.8 |
| RoCE | 33.4 | 2.3 | 1.4 | 12.3 | 33.1 | 24.6 | 14.7 | 19.4 | 20.8 |
| RoIC | 42.2 | 1.9 | -1.4 | 20.3 | 56.9 | 47.4 | 32.4 | 42.9 | 41.9 |
| Working Capital Ratios | | | | | | | | | |
| Fixed Asset Turnover (x) | 1.5 | 0.5 | 0.5 | 1.4 | 3.2 | 5.5 | 3.7 | 4.8 | 5.5 |
| Asset Turnover (x) | 0.8 | 0.3 | 0.2 | 0.5 | 0.9 | 0.5 | 0.4 | 0.5 | 0.6 |
| Inventory (Days) | 26 | 64 | 96 | 93 | 113 | 20 | 20 | 20 | 20 |
| Debtor (Days) | 110 | 128 | 133 | 150 | 143 | 148 | 148 | 148 | 148 |
| Creditor (Days) | 28 | 57 | 353 | 269 | 217 | 51 | 51 | 51 | 51 |
| Leverage Ratio (x) | | | | | | | | | |
| Current Ratio | 8.2 | 12.3 | 4.7 | 2.8 | 2.3 | 11.5 | 15.1 | 11.7 | 10.7 |
| Interest Cover Ratio | 18.8 | 3.8 | -1.4 | 23.1 | 92.3 | 32.2 | 27.7 | 41.1 | 52.2 |
| Net Debt/Equity | -0.2 | -0.3 | -0.3 | -0.5 | -0.4 | -0.6 | -0.7 | -0.6 | -0.5 |

Standalone - Cashflow Statement

| Y/E Mar | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|----------------------------------|-------------|-------------|-------------|--------------|--------------|---------------|---------------|---------------|---------------|
| OP/(Loss) before Tax | 586 | 57 | 19 | 539 | 1,844 | 3,520 | 3,614 | 5,664 | 7,427 |
| Depreciation | 38 | 40 | 37 | 44 | 73 | 101 | 130 | 165 | 202 |
| Interest & Finance Charges | 23 | -15 | -30 | -48 | 12 | 59 | 104 | 114 | 125 |
| Direct Taxes Paid | -114 | -28 | -12 | -87 | -321 | -984 | -925 | -1,450 | -1,901 |
| (Inc)/Dec in WC | 111 | 74 | -452 | 537 | -1,405 | -3,778 | 734 | -3,076 | -3,147 |
| CF from Operations | 643 | 127 | -439 | 985 | 204 | -1,082 | 3,657 | 1,418 | 2,706 |
| Others | 1 | 0 | 1 | 8 | 10 | -381 | -846 | -1,090 | -1,007 |
| CF from Operating incl EO | 644 | 127 | -438 | 993 | 214 | -1,463 | 2,811 | 327 | 1,699 |
| (Inc)/Dec in FA | -23 | -10 | -36 | -121 | -260 | -298 | -500 | -550 | -550 |
| Free Cash Flow | 622 | 117 | -474 | 872 | -46 | -1,761 | 2,311 | -223 | 1,149 |
| (Pur)/Sale of Investments | -26 | -82 | -3 | -25 | -42 | -1,922 | 0 | 0 | 0 |
| Others | -62 | -84 | -393 | 119 | -518 | -6,404 | 846 | 1,090 | 1,007 |
| CF from Investments | -110 | -176 | -432 | -27 | -820 | -8,624 | 346 | 540 | 457 |
| Issue of Shares | 0 | 0 | 0 | 0 | 0 | 9,802 | 0 | 0 | 0 |
| Inc/(Dec) in Debt | -154 | -1 | 865 | -64 | -58 | 507 | 0 | 0 | 0 |
| Interest Paid | -32 | -5 | -9 | -16 | -12 | -44 | -104 | -114 | -125 |
| Dividend Paid | -23 | -32 | -8 | -8 | -17 | -90 | 0 | 0 | 0 |
| Others | -5 | 134 | 25 | -97 | 26 | -7 | 0 | 0 | 0 |
| CF from Fin. Activity | -214 | 97 | 873 | -184 | -62 | 10,169 | -104 | -114 | -125 |
| Inc/Dec of Cash | 321 | 47 | 3 | 782 | -668 | 82 | 3,053 | 754 | 2,031 |
| Opening Balance | -225 | 96 | 144 | 147 | 929 | 261 | 8,392 | 11,445 | 12,199 |
| Other Bank Balances | 89 | 189 | 614 | 543 | 1,161 | 8,050 | 0 | 0 | 0 |
| Closing Balance | 185 | 333 | 761 | 1,472 | 1,422 | 8,392 | 11,445 | 12,199 | 14,229 |

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|----------------------------------|--|
| 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.

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