

September 4, 2025

Onset of positive momentum...

About the stock: Premier Explosives (PEL) specializes in producing high-energy materials, including bulk and packaged explosives and initiating systems for mining, infrastructure & construction. Company also manufactures missile and rocket propellants, strap-on motors for satellite launches, and various defence products like chaff, infrared flares, explosive bolts, and tear gas grenades.

- Defence contributes ~86% of revenue. OB at Rs 989 crore as of Q1FY26

Investment Rationale

- Strong product portfolio with well-built manufacturing capabilities:** PEL is one of the lead manufactures in the Indian explosives and defence sectors, renowned for its innovative and Indigenous capabilities. PEL has six manufacturing plants in India, dividing bulk explosives for mining and infrastructure from specialized defence and space facilities. Four units in Madhya Pradesh, Maharashtra, and Telangana focus on bulk explosives, while advanced two facilities in Telangana, serve defence and space needs which produce detonators, fuses, solid propellants, HMX/RDX, warheads, and rocket ammunition. This makes the company one of the few private companies with integrated capabilities in tactical, strategic, and space-grade explosives
- Strong industry tailwinds favour long-term growth; Order backlog remains strong with healthy pipeline:** The government's emphasis on increasing capital expenditure for domestic defence and expediting procurement suggests that PEL will experience significant order inflows next year. As of June 2025, PEL's order book was Rs 989 crores (2.1x TTM revenue), with 87% from defence, 7% from industrial explosives, and 6% from services. Order inflows have been strong, with FY24-YTDFY26 orders exceeding those from FY20-23 (more than ~Rs 700 crore of orders received in YTDFY26). PEL is also targeting Rs 700 crores in RFPs, including emergency orders, which could enhance future revenue. The order execution cycle is 12 to 24 months, providing strong revenue visibility for the next 2-3 years. Management has guided revenue of Rs 600 crores for FY26E (which implies ~44% YoY growth)
- Expanding capacities across defence segment with focus on increasing better-margin products:** PEL is initiating a capital expenditure program to strengthen its defence and energetic materials portfolio. The Katepally facility, which focuses on RDX, HMX, and rocket integration, is set to increase production. A greenfield plant in Odisha is planned in three phases, (~Rs. 800 crores over ten years). Phase I, which includes production of ammunition, warheads, and HTPB raw materials, will require ~Rs 100 crore. To finance these initiatives, PEL aims to raise ~Rs. 300 crores through a Qualified Institutional Placement (QIP) or preferential issue (~ Rs. 200 crores allocated for capex while remainder for loan repayment and corporate needs

Rating and Target Price

- PEL is well positioned to witness strong growth in the coming years, led by robust industry tailwinds with focus on better-margin segments
- We estimate revenue CAGR of ~27% over FY25-28E while EBITDA & PAT CAGR of ~40% & ~54% respectively over the same period. We assign BUY rating on the stock with a target price at ₹ 680 (valued at 35x P/E on FY28E)

Key Financial Summary

Key Financials (₹ crore)	FY22	FY23	FY24	FY25	3 Year CAGR (FY22-25)	FY26E	FY27E	FY28E	3 Year CAGR (FY25-28E)
Revenues	199.1	202.0	271.7	417.5	28.0	569.1	694.3	847.0	26.6
EBITDA	20.9	25.9	58.5	58.0	40.4	93.1	125.6	160.0	40.3
EBITDA margin (%)	10.5	12.8	21.5	13.9		16.4	18.1	18.9	
Net Profit	5.2	7.0	28.4	28.7	76.5	69.2	85.9	104.5	53.8
EPS (₹)	4.9	6.5	26.4	5.3		12.9	16.0	19.4	
P/E (x)	113.2	84.7	20.8	102.9		42.8	34.4	28.3	
EV/EBITDA (x)	31.7	25.7	10.7	9.2		7.5	5.9	4.9	
RoCE (%)	5.3	6.6	18.2	17.0		23.1	23.9	23.3	
RoE (%)	2.8	3.6	12.9	11.7		22.4	22.2	21.7	

Source: Company, ICICI Direct Research



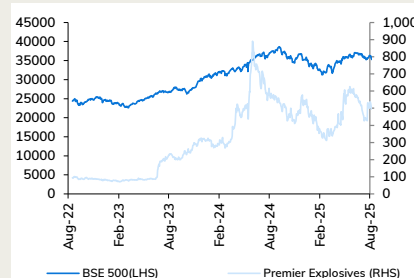
Particulars

Particulars (Rs Crore)	Amount
Market Capitalization	2,957
Total Debt (FY25)	40.6
Cash and Inv (FY25)	101
EV (FY25)	2,896
52 week H/L	667 / 309
Equity capital	10.8
Face value (Rs)	2.0

Shareholding pattern

	Sep-24	Dec-24	Mar-25	Jun-25
Promoter	41.3	41.3	41.3	41.3
FII	0.4	0.4	0.7	0.7
DII	8.4	8.2	8.0	7.7
Others	49.9	50.1	49.9	50.3

Price Chart



Key risks

Key Risk:

- Availability of key raw materials
- Dependent on govt. contracts
- High dependence on limited customers

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Company Background

Premier Explosives, incorporated in 1980, is primarily involved in the manufacturing and sale of high-energy materials. The bulk explosives, packaged explosives and initiating systems manufactured by PEL find application in the mining, infrastructure and construction industries. The company also diversified into the manufacturing of propellants for missiles and rockets and strap-on motors for satellite launch vehicles.

The company's extended capabilities include products such as chaff, IR flares, explosive bolts, pyro devices, smoke markers, cable cutters, tear gas grenades and other products, including pyrogen igniters for defence and space applications. PEL is also involved in the operation and maintenance (O&M) services of solid propellant plants at the Sriharikota centre of the Indian Space Research Organisation (ISRO)

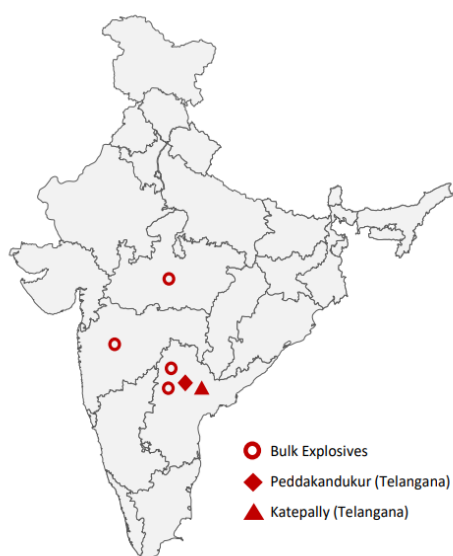
During FY25, Defence and Space contributed ~81% to the total revenues followed by ~19% from Bulk Explosives. Consolidated revenue of the company has grown by ~21% CAGR in the last 3 years during the period FY21-24 while EBITDA has grown by ~110% CAGR over the same period with PAT turning positive from ₹ -11 crore to Rs 28.4 crore


During Q1FY26, company reported revenues of ₹ 142 crore which increased by ~72 % YoY while EBITDA grew by ~35% YoY to ₹ 21 crore. PAT in Q1FY26 stood at ~₹ 15 crore, which increased by ~108% YoY

The company derived ~74% of its revenues from domestic markets while balance ~26% from exports in FY24. The company is poised to enter new export markets for defence products and high-energy components, further expanding their global footprint.

Their major customers include the Ministry of Defence (MoD), Defence Research and Development Organisation (DRDO), Bharat Dynamics Limited (BDL), Bharat Electronics Limited (BEL), Advanced Systems Laboratory (ASL), Electronics Corporation of India and units operated by the Indian Space Research Organisation (ISRO) among others.

Exhibit 1: Manufacturing facilities



Bulk Explosives	Accessories & Defence Explosives
<ul style="list-style-type: none"> Singrauli (Madhya Pradesh) Chandrapur (Maharashtra) Godavarikhani (Telangana) Manuguru (Telangana) 	<ul style="list-style-type: none"> Peddakandukur (Telangana) Detonator, Detonating Fuse, Explosives Boosters, Pyro devices, Solid Propellants, PETN, Ammonium Perchlorate Katepally (Telangana) Solid propellants*, HMX/RDX**, Rocket Missiles, Ammunition, Mines, Warheads, Bombs and other ammunitions.   <p>*Solid Propellants</p> <ul style="list-style-type: none"> PSOM-XL (Solid Propellant) for satellite launch vehicles. Solid Propellants for Defence Applications (Tactical & Strategic) <p>**HMX/RDX</p> <p>Meting the in-house requirement and domestic market. Securing the orders for overseas markets.</p>

Source: Company, ICI Direct Research

Investment Rationale

Leading manufacturer of high-energy materials for critical sectors: Strong product portfolio with well-built manufacturing capabilities

Premier Explosives (PEL) is a leading manufacturer of high energy materials for defence, aerospace and mining sectors. With six advanced manufacturing facilities, PEL has harnessed its expertise to develop cutting-edge solid propellants. The company also undertakes operation and maintenance (O&M) services of solid propellant plants at the Sriharikota Centre of ISRO and Solid Fuel Complex at Jagdalpur under the umbrella of DRDO

PEL operates six manufacturing facilities strategically located across India, with a clear bifurcation between bulk explosives for mining and infrastructure, and specialised facilities for defence and space applications. While four units in Madhya Pradesh, Maharashtra, and Telangana cater to the bulk explosives segment, the company's advanced facilities at Peddakandukur and Katepally in Telangana anchor its defence and space business. These units produce a comprehensive portfolio ranging from detonators and fuses to high-energy solid propellants, HMX/RDX, warheads, and rocket ammunition, positioning PEL among the few private-sector players with integrated capabilities across tactical, strategic, and space-grade explosives

PEL's six manufacturing facilities provide a unique balance of scale and specialisation. Its bulk explosives plants in Madhya Pradesh (Singrauli), Maharashtra (Chandrapur) and Telangana (Godavarikhani & Manuguru) ensure a stable revenue base from mining and infrastructure, while its two advanced defence-focused units in Telangana (Peddakandukur & Katepally) cater to high-value strategic programmes

The Katepally facility, in particular, serves as a hub for solid propellants (tactical, strategic, and satellite launch vehicles), HMX/RDX production and rocket ammunition, while Peddakandukur facility supports the production of detonators, fuses, boosters, PETN, and propellants. This dual capability strengthens PEL's position as a critical supplier to DRDO, ISRO and defence PSUs, while maintaining a diversified revenue mix through its presence in the commercial explosives market

Exhibit 2: Defence product portfolio

Manufacturing Products across various segments....

Propellants (Composite)	Pyros	Explosives/ Explosive Compositions	Counter-measures*	O&M Services
Pyrogen Igniters	Pyro Cartridges	PETN	Chaffs	Solid Propellant plant of ISRO at SHAR since 2006
Case-bonded Propellants	Pyro Actuators	HMX / RDX and their Compounds	Flares	
Free Standing Propellant Grains	Smoke / Flash Generators	Bombs, Warheads & Ammunition		Solid Propellant plant of Advance Systems Laboratory (ASL) at Solid Fuel Complex, Jagdalpur for 17 years
Fuel Rich Propellant Grains	IR Generators	CI – 20		
Gas Generators	Specialized Squibs			
Rocket Motors of 40 mm to 2000 mm dia.				

Missile	Type	Stage	Client	End user	PEL's contribution
Akash	Tactical, Surface to Air	Production	Bharat Dynamics Limited (BDL)	Indian Air Force and Indian Army	Supplied 2500+ booster grains and 450+ sustainer grains
MRSAM	Tactical, Surface to Air	Production	DRDO / BDL	Indian Army	100% requirements of solid propellants
Agni	Ballistic	Production	Advanced Systems Laboratory	Strategic Forces Command	Pyrogen igniters for all stages
Brahmos	Cruise, Air launched Anti-ship, Land attack	Production	Brahmos Aerospace	Indian Air Force, Indian Navy and Indian Army	Production & Integration of Rocket Motors
LRSAM	Tactical, Surface to Air	Production	DRDO / BDL	Indian Navy	100% requirements of solid propellants
Astra	Tactical, Air to Air	Production	DRDO / BDL	Indian Air Force	100% requirements of solid propellants

Source: Company, ICI Direct Research

Company states that PEL stands as the only private company in India entrusted with supplying solid propellants for prestigious missile programs such as Akash, Astra, LRSAM, and more. The company is the only domestic manufacturer and supplier for counter-measures (Chaffs & Flares) to Indian Defence

PEL plays a pivotal role in India's missile and space programs, supplying critical solid propellants and explosive components across platforms. The company provides 100% of the solid propellants for MRSAM, LRSAM, and Astra missiles, and has delivered over 2,500 booster grains and 450 sustainer grains for the Akash missile. The company has also mentioned that they are also the qualified supplier of propellants for QRSAM. It also supports the Agni program with pyrogen igniters and is involved in technology transfer for the BrahMos missile.

Beyond defence, PEL operates ISRO's solid propellant facilities under a 10-year GOCO contract (from Jan-19) and has successfully supplied PSOM-XL propellants for satellite launch vehicles. This underscores its positioning as a trusted partner in both India's defence preparedness and space ambitions

Complementing its manufacturing footprint, PEL has also built strong in-house R&D capabilities that drive innovation across explosives and propellants. It was the first company globally to achieve commercial-scale production of NHN-based detonators, developed smokeless solid propellants for key missile systems, and advanced high-energy materials such as HNS-IV and CL-20. By creating indigenous substitutes like bomb-dropping mechanisms and pyro cartridges, PEL has reduced import dependence while securing collaborations with DRDO, ISRO, and leading institutes. Backed by multiple industrial licenses and a growing IP portfolio, its R&D strength enhances entry barriers and reinforces its positioning as a technology-driven defence partner.

PEL has also been actively pursuing partnerships to strengthen its technological base and expand into adjacent defence domains. The company has formed a JV with Global Munitions Limited (a subsidiary of NIBE Ltd.) with a focus on manufacturing RDX, HMX, rocket motors, energetic materials, propellants, and warhead filling. Land acquisition for this venture is underway, with licensing and trial production expected to take at least a year. Additionally, PEL has collaborations with NIBE Group and Astra Microwave; while the Astra JV has seen limited progress so far, the NIBE partnership is at an early stage with investment assessment ongoing. These initiatives underline PEL's strategy of leveraging partnerships to diversify its offerings and deepen participation across the defence supply chain

In commercial explosives segment also, the company manufactures diverse range of explosives (like bulk explosives, cast boosters, detonators and detonating fuses) for domestic and export markets

Exhibit 3: Commercial product portfolio

Manufacturing Diverse Range of Explosives....

...for Clients in Mining & Infrastructure Industries

Bulk Explosives



Cast Boosters



Detonators



Detonating Fuse



Domestic



Export to Countries

Israel
Greece
Jordan
Turkey
Nepal
Thailand
Philippines
Indonesia
Djibouti etc.

Source: Company, ICICI Direct Research

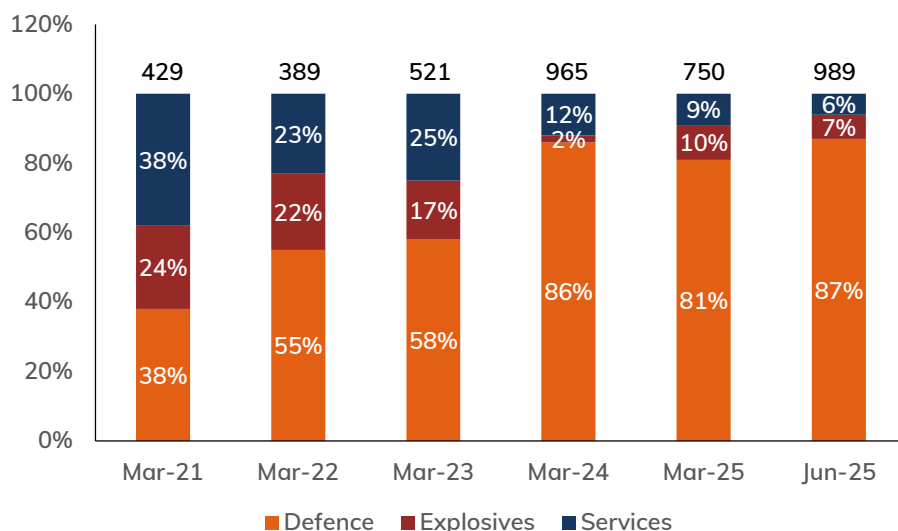
Robust industry tailwinds provide substantial growth opportunities: Order backlog remains strong with healthy pipeline

Considering the government's strong focus on increasing capital outlay for procurement of indigenous defence platforms, designing & development of more advanced systems and reducing procurement timelines of these platforms, we believe that PEL has sizable opportunity in terms of orders inflows in the coming years. The company's marquee clientele in defence segment, comprising Defence Research and Development Organisation (DRDO), Bharat Dynamics (BDL), Bharat Electronics (BEL), Indian Space Research Organisation (ISRO) provide more comfort in terms of repeat orders. We also believe that the company's nature of business is highly regulated and has high entry barriers considering the need for licensing for various products and required qualifications & approvals

As of June 2025, PEL's order-book stood at Rs 989 crores (2.1x TTM revenue), encompassing all operational sectors with defence segment accounting for Rs 860 crore (87%), followed by industrial explosives at Rs 69 crore (7%) and O&M Services at Rs 59 crore (6%). The dominance of defence segment orders highlights the company's strategic positioning in high-value segments, while the explosives and services portfolio provides diversification

The order book also reflects balanced exposure across geographies, with exports accounting for 46% and domestic orders at 54%. Export contracts are largely for rocket motors and energetic materials (RDX, HMX), ensuring visibility of revenues. Key recent wins include propellant casting and booster assembly orders from BrahMos Aerospace and multiple overseas contracts in defence and commercial explosives

Exhibit 4: Order Book over the period of years (₹ crore)



Source: Company, ICICI Direct Research

The order inflows have been improving over the years as the orders received in FY24-25 surpass the orders received in the previous four years (FY20-23) combined, striking a significant growth and industry confidence with the company. Moreover, order inflows during YTD FY26 stands at over Rs 700 crore (vs Rs 202 crore inflow in FY25) with having an execution period being not longer than 24 months for all the orders

Exhibit 5: List of orders intake reported by the company in the past 10 months

Date	Order Detail	Amount (Rs crore)	Contract Type	Execution Period
04-Aug-25	Manufacturing and Supply of Defence Explosives	190	Exports	24 months
30-Jul-25	Supply of Rocket Motors	22	Exports	8 months
16-Jul-25	Manufacturing and Supply of Defence Explosives	105	Exports	12 months
10-Jul-25	Manufacture and supply of Defence products	18	Exports	6 months
18-Jun-25	Supply of Defence products	2	Exports	12 months
11-Jun-25	Supply of Commercial Explosives	3	Exports	2 months
18-Mar-25	Supply of Defence Explosives	19	Exports	5 months
12-Mar-25	Supply of Defence Explosives	21	Exports	5 months
12-Feb-25	Design and Development of Rocket Motors	20	Exports	24 months
31-Jan-25	Propellant Casting & Assembly of Boosters for Brahmos	26	Domestic	24 months
05-Nov-24	Supply of SME explosives, LDC Explosives and accessories	89	Domestic	24 months

Source: Company, ICICI Direct Research

PEL continues to build momentum, having participated in Rs. 700 crore worth of RFPs currently in the pipeline (including emergency procurement orders), which could meaningfully expand its future revenue base. Moreover, the company's successful execution of legacy orders has strengthened credibility, enabling it to qualify for larger, higher-margin contracts from the Ministry of Defence, DRDO, and international clients. This robust pipeline underpins strong growth visibility over the medium term.

In terms of execution, management has stated that overall execution is expected to remain healthy considering the ease of supply chain and increasing indigenisation level of defence platforms. Execution cycle for orders undertaken by the company remains at 12–24 months, which provides a strong revenue visibility over the next 2–3 years. Management has also maintained their revenue guidance at Rs 600 crores for FY26E (which implies growth of ~44% from FY25)

Expanding capacities in defence segment with focus on increasing better-margin products:

PEL is undertaking a structured capex program to strengthen its defence and energetic materials portfolio. PEL is expanding capacities at its Katepally facility, focused on RDX, HMX, and rocket integration. The RDX plant expansion is already in progress and expected to be operational before Dec-25, supporting near-term growth

In parallel, the centrepiece is the greenfield Odisha plant, planned over three phases with a total outlay of ~Rs. 800 crores across 10 years. Phase I, involving ammunition, warheads, and HTPB raw material production, entails a capex of ~INR 100 crore. Land acquisition is currently underway with state support, though the process (including forest land clearances) may take up to a year before project design and execution commence

To fund these initiatives, PEL plans to raise ~Rs. 300 crores via QIP or preferential issue, of which Rs. 200 crores are earmarked for capex and the balance for loan repayment and general corporate purposes. Additionally, ~Rs. 90 crores are planned for upgrades at existing units and ~Rs 50 crores towards a proposed JV. With phased investments set to yield results from FY26–27 onwards, these initiatives are expected to enhance scale, product depth, and long-term growth visibility

Exhibit 6: Enhancing product offerings

for Indian Air Force

Chaffs & Flares

Air Target Imitators (for Indian Army)

Air-to-Air and Air-to-Surface Missiles

Refurbishment of Missiles

Canopy severance system



for Indian Army

Surface to Air Missiles

UAVs, Drones, Loitering Missiles

War-heads

Anti-Personnel and Anti-Armoured Vehicle Mines

Medium and large caliber Ammunition



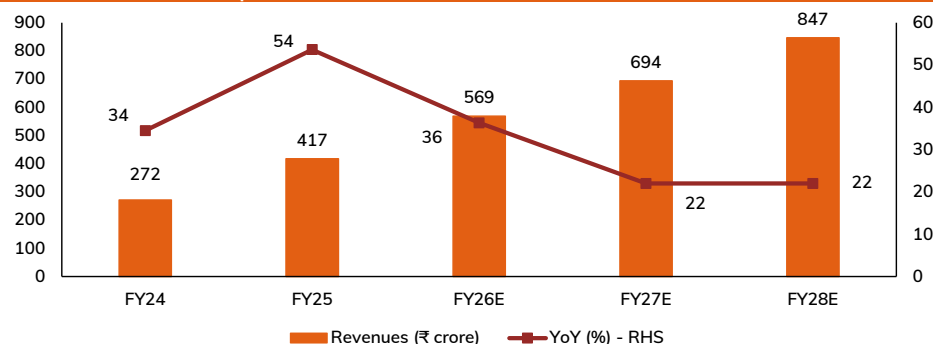
Source: Company, ICICI Direct Research

Key Financial Summary

Revenue expected to grow ~27% CAGR over FY25-28E

PEL has reported healthy topline growth of ~28% CAGR in the last 3 years (FY22-25), led by healthy demand from key sectors like Defence & Space, and Bulk Explosives sectors. Going forward, improvement in execution, strong order inflows and increase in manufacturing capacity in FY26, would continue to drive revenue growth (~27% CAGR over FY25-28E)

Exhibit 7: Trend in Topline

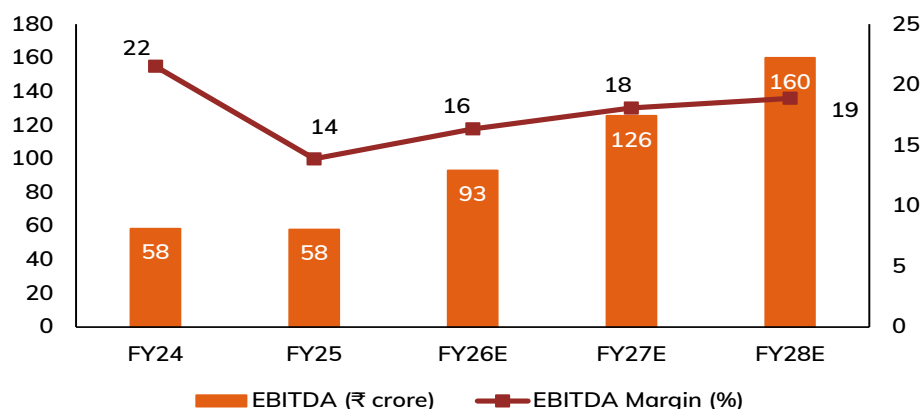


Source: Company, ICICI Direct Research

EBITDA expected to grow ~40% CAGR over FY25-28E

With operational efficiencies kicked in (led by defence sector), EBITDA margin improved over FY22-25, leading to EBITDA CAGR of ~36% over the same period. Going ahead, we estimate EBITDA margin to improve further gradually to 19% by FY28E led by increase in share of better-margin defence segment. with EBITDA expected at ~40% CAGR over FY25-28E

Exhibit 8: Trend in EBITDA & Margins

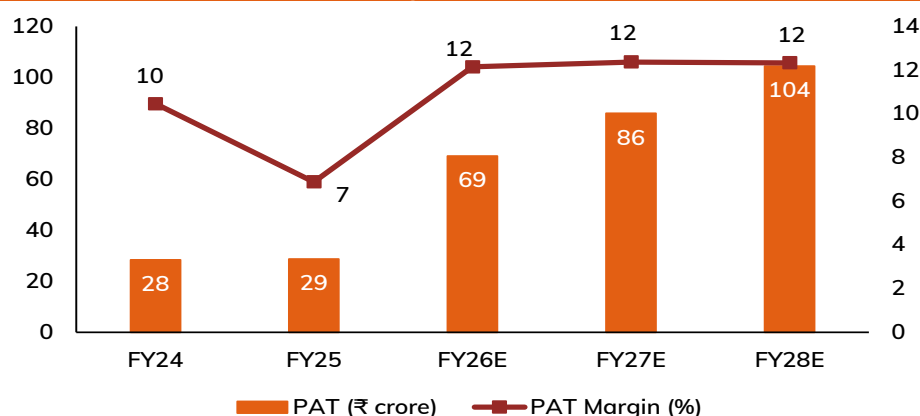


Source: Company, ICICI Direct Research

PAT expected to grow ~54% CAGR over FY25-28E

With healthy growth in revenues and improvement in EBITDA margins, we expect PAT to grow at a CAGR of ~54% over. The PAT margin is also set to improve from 6.9% in FY25 to 12.3% by FY28E

Exhibit 9: Trend in PAT and PAT Margin

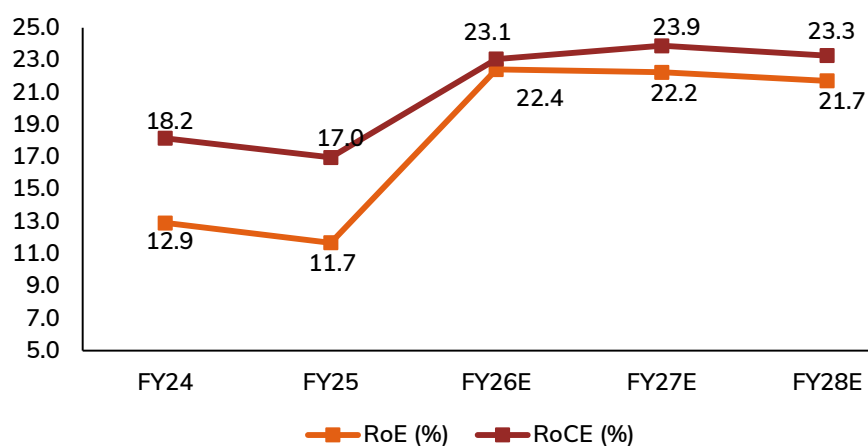


Source: Company, ICICI Direct Research

Return ratios to improve substantially over FY25-28E

Going ahead, we expect return ratios to improve, led by substantial improvement in operational efficiency & increase in profitability

We estimate RoE to improve from 11.7% in FY25 to 21-22% over FY26-28E. Similarly, RoCE is expected to expand from 17% in FY25 to 23-24% over FY26-28E

Exhibit 10: Trend in Return Ratios

Source: Company, ICICI Direct Research

Risk and Concerns

Raw material volatility risk

Profits are significantly affected by fluctuations in raw material prices and foreign exchange rates. Ammonium nitrate, the main raw material for commercial explosives, can be highly volatile. The company has pass-through clauses in client contracts, limiting its ability to pass on input price increases, which can negatively impact profitability. The defence segment also uses fixed-price contracts, making it susceptible to raw material price changes, though these inputs are generally less volatile. Additionally, the company remains exposed to foreign currency exchange rate fluctuations, although export activities provide some natural hedging against this risk.

Dependent on contracts from Government of India (GoI), associated entities

Given that the company derives a significant portion of revenues from government contracts & its associated entities, the company is exposed to various risks like stricter regulatory requirements which may increase compliance costs. Other risks involve difficulty in winning tenders, matching the pricing. Also, delay of existing or anticipated contracts or programmes or any adverse change in the GoI Entities defence or space requirements and geo-political circumstances, may have a material adverse impact on company's business and profitability

High dependency on limited Customers

The company's customer concentration is significant as the top five clients accounted for approximately 97% of the revenues in FY25. Additionally, the commercial explosives sector is extremely competitive due to the fragmented nature of the industry, the commoditized characteristics of the products in the trade segment, and the tender-based procurement process with government entities.

Competition Risk

Company faces intense competition from both established players and emerging domestic vendors in defence explosives. Price undercutting and aggressive bidding by peers can erode margins and market share. Sustaining a competitive edge will require constant differentiation and investment in capabilities. Further, any inability to effectively compete in this demanding industry could significantly impact the company's business performance, operational results, financial health, cash flow, and future growth potential

Technological Risk

The defence sector is characterised by rapid technological advancements and evolving customer requirements. Failure to upgrade products or adopt new technologies in time could render existing solutions obsolete. Dependence on a few key technologies or platforms also poses concentration risks. Continuous R&D and innovation are essential to remain relevant in this dynamic landscape. Additionally, any alterations in specifications from the Original Equipment Manufacturers could make the current machinery obsolete, leading to substantial replacement expenses

Financial Summary

Exhibit 11: Profit and loss statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	271.7	417.5	569.1	694.3	847.0
% Growth	34.5	53.6	36.3	22.0	22.0
Other income	4.1	2.1	23.6	24.7	26.0
Total Revenue	271.7	417.5	569.1	694.3	847.0
% Growth	34.5	53.6	36.3	22.0	22.0
Total Raw Material Costs	110.7	238.9	330.1	395.7	482.8
Employee Expenses	57.5	61.9	74.3	89.2	107.0
other expenses	44.9	58.2	71.6	83.8	97.2
Total Operating Expenditure	213.2	359.5	476.0	568.7	687.0
Operating Profit (EBITDA)	58.5	58.0	93.1	125.6	160.0
% Growth	125.7	(0.9)	60.6	34.9	27.4
Interest	10.5	10.8	7.5	16.1	20.6
PBDT	52.1	49.3	109.1	134.2	165.4
Depreciation	11.5	11.5	13.1	14.9	20.3
PBT before Exceptional Items	40.6	37.8	96.1	119.3	145.1
Total Tax	12.2	9.1	26.9	33.4	40.6
PAT	28.4	28.7	69.2	85.9	104.5
% Growth	308.1	1.1	140.7	24.2	21.6
EPS	26.4	5.3	12.9	16.0	19.4

Source: Company, ICICI Direct Research

Exhibit 12: Cash flow statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Profit after Tax	28	29	69	86	104
Depreciation	12	11	13	15	20
Interest	11	11	8	16	21
Cash Flow before WC change	50	51	90	117	145
Changes in inventory	(8)	(66)	(34)	(37)	(42)
Changes in debtors	(19)	35	(118)	(34)	(19)
Changes in loans & Advances	-	-	-	-	-
Changes in other CA	(26)	18	(10)	(8)	(10)
Net Increase in Current Asset	(53)	(13)	(161)	(80)	(71)
Changes in creditors	(0)	101	(62)	2	36
Changes in provisions	0	0	(1)	0	1
Net Inc in Current Liabilities	74	81	(57)	25	64
Net CF from Operating activit	71	119	(128)	63	139
Changes in deferred tax asse	-	-	-	-	-
(Purchase)/Sale of Fixed Asse	(24)	(10)	(25)	(80)	(150)
Net CF from Investing activiti	(14)	(12)	(25)	(80)	(150)
Dividend and Dividend Tax	(2)	(3)	(6)	(8)	(10)
Net CF from Financing Activit	(35)	(35)	86	12	20
Net Cash flow	22	72	(67)	(5)	9
Opening Cash/Cash Equivalen	7	29	101	34	29
Closing Cash/ Cash Equivalen	29	101	34	29	38

Source: Company, ICICI Direct Research

Exhibit 13: Balance sheet

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Equity Capital	10.8	10.8	10.8	10.8	10.8
Reserve and Surplus	209	235	298	376	470
Total Shareholders funds	220	246	309	386	481
Total Debt	61	41	141	181	231
Total Liabilities	307	312	475	593	738
Gross Block	238	259	288	328	448
Acc: Depreciation	67	78	91	106	126
Net Block	193	192	197	222	322
Capital WIP	3	3	10	50	80
Total Fixed Assets	203	202	214	283	413
Non Current Assets	4	6	6	6	6
Inventory	88	153	187	224	267
Debtors	73	38	156	190	209
Other Current Assets	45	27	36	44	54
Cash	29	101	34	29	38
Total Current Assets	235	319	413	488	567
Current Liabilities	16	117	55	57	93
Provisions	10	11	11	11	11
Total Current Liabilities	135	216	159	185	249
Net Current Assets	100	103	254	303	318
Total Assets	307	312	475	593	738

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
EPS	26.4	5.3	12.9	16.0	19.4
Cash per Share	27.2	18.8	6.4	5.4	7.0
BV	204.8	45.7	57.4	71.9	89.5
Dividend per share	1.7	0.5	1.2	1.5	1.8
Dividend payout ratio	6%	9%	9%	9%	9%
EBITDA Margin	21.5	13.9	16.4	18.1	18.9
PAT Margin	10.5	6.9	12.2	12.4	12.3
RoE	12.9	11.7	22.4	22.2	21.7
RoCE	18.2	17.0	23.1	23.9	23.3
RoIC	18.6	25.1	19.3	20.6	20.7
EV / EBITDA	10.7	9.2	7.5	5.9	4.9
P/E	20.8	102.9	42.8	34.4	28.3
EV / Net Sales	2.3	1.3	1.2	1.1	0.9
Sales / Equity	1.2	1.7	1.8	1.8	1.8
Market Cap / Sales	2.2	1.4	1.0	0.9	0.7
Price to Book Value	2.7	12.0	9.6	7.7	6.1
Asset turnover	1.0	1.5	1.3	1.2	1.2
Debtors Turnover Ratio	4.3	7.5	5.9	4.0	4.2
Creditors Turnover Ratio	17.3	6.3	6.7	12.4	11.3
Debt / Equity	0.3	0.2	0.5	0.5	0.5
Current Ratio	6.8	1.6	6.8	7.9	5.6
Quick Ratio	3.9	0.5	3.5	4.0	2.8

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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