

Data center will be a key opportunity. Defence is expected to pick up from Q2FY26E onwards.

CMP: INR 76

Rating: BUY

Target Price: INR 123

Stock Info

BSE	500183
NSE	HFCL
Bloomberg	HFCD:LI
Reuters	HFCL.NS
Sector	Cables
Face Value (INR)	1
Equity Capital (INR cr)	144
Mkt Cap (INR cr)	10,946
52w H/L (INR)	171 / 71.5
Avg Yearly Volume (in 000')	20,704

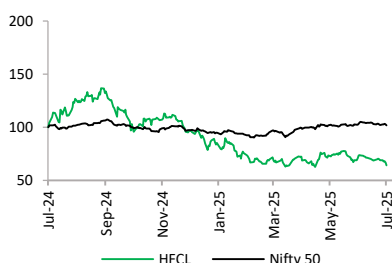
Shareholding Pattern %

(As on Jun, 2025)

Promoters	31.58
Public & Others	68.42

Stock Performance (%)	3m	6m	12m
HFCL	-11.7	-6.5	-35.8
NIFTY	-0.7	4.9	1.8

HFCL vs Nifty



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HFCL Ltd reported numbers, Q1FY26 revenue stood at INR 871cr (-24.8% YoY/+8.8% QoQ); below our estimates of INR 1,406cr. Gross Profit stood at INR 236cr (-30.4% YoY/+56% QoQ); below our estimates of INR 413cr. Gross margins contracted by 217 bps YoY (up by 819 bps QoQ) to 27.1% vs 29.3% in Q1FY25. The raw material cost in terms of sales stood at 72.9% vs 70.7% in Q1FY25. EBITDA stood at INR 28cr (-83.8 % YoY/-179.0% QoQ); below our estimates of INR 216cr. EBITDA margin stood at 3.3% vs 15.1% in Q1FY25. PAT stood at INR -29cr vs INR 111cr in Q1FY25, below our estimates of INR 118cr. PAT margin stood at -3.4% vs 9.6% in Q1FY25.

Key Highlights

Strong growth expected in OFC and Telecom Products: Telecom Products revenue stood at INR 578cr (-18.8% YoY/-5.4% QoQ). EBIT stood at INR 57cr (-19.6% YoY/+958.6% QoQ); EBIT margin contracted by 317 bps YoY (up by 899 bps QoQ) to 9.9% vs 6.7% in Q1FY25. Telecom Products revenue share increased to 66% vs 61% in Q1FY25. OFC business revenue is expected to be around INR 27bn in FY26E. OFC business is expected to grow at a double-digit rate in FY26E, driven by global demand and capacity expansion. The OFC business is witnessing a strong revival due to hyperscale data centers and next-gen digital infrastructure.

Defence revenue is expected from Q2FY26E onwards: Defence order book stood at INR 1,300cr (~12% of the total order book). Defence revenue is expected from Q2FY26E onwards and expected to be INR 2bn+ revenue in FY26E. The company secured a contract for thermal weapon sights for AK-203 rifles and was declared the lowest bidder (L1) for an INR 90cr tender for tactical cables. The company is collaborating with UAV manufacturers to co-develop weaponized drones and is advancing drone detection radars with soft-kill capabilities, expected to enter production in FY26E. Electronic fuses for artillery are undergoing live testing in Aug-25, with production likely to commence post-successful trials. The showcase at the Paris Air Show drew strong global interest, opening doors for future collaborations and exports.

Strong order book shows business visibility: The order book stood at INR 10,480cr in Q1FY26. The company is getting repeated orders for Telecom products. Around INR 3,000cr orders are executable in FY26E, with INR 2,000cr is coming from turnkey projects like BharatNet and the balance from products. The BharatNet Phase III program is a significant contributor, with INR 650cr in router orders already secured and more expected as states roll out implementations.

Data center can be the biggest opportunity: Data center market is projected to exceed \$1 trn in the coming years. The company is developing passive connectivity solutions tailored for data centers, which are expected to contribute revenue from FY27E onwards.

Outlook & Valuation: HFCL reported a de-growth of ~25% YoY in Q1FY26; however, the management strongly guided 25% YoY growth in FY26E, which translates into 50% growth is expected in the next 9 months. The growth is majorly driven by OFC (INR 2,700cr, inclusive exports of INR 1,200cr), BharatNet and EPC (INR 1,000cr) and Telecom Products (INR 1,200cr), and Defence (INR 200cr). Overall, the company revenue is expected to cross INR 5,000cr in FY26E. The company has a strong order book of INR 10,480cr (~2.6x of FY25 revenue) and getting regular order inflows in Telecom products. Telecom Products like Routers, Fixed Wireless Access Terminals for 5G applications, and new products like Wi-Fi 7 access points and higher capacity Unlicensed band radios will be a key growth driver. Defence revenue is expected from new product launches, including surveillance radars and electronic fuses. Defence revenue is expected from Q2FY26E onwards. The showcase at the Paris Air Show drew strong global interest, opening doors for future collaborations and exports. Global inventory levels have normalized, leading to renewed demand from telcos and data center operators. The demand is coming from hyperscale data centers will be a key growth driver. The BharatNet and US subsidy program would lead to great opportunities for the company. The revival of exports is backed by inventory normalization, capacity expansion, product portfolio expansion, and a strong client base that would drive the business going forward. At the CMP of INR 76 per share, we maintain our "BUY" rating at a TP of INR 123 per share based on DCF; an upside of 61.6%.

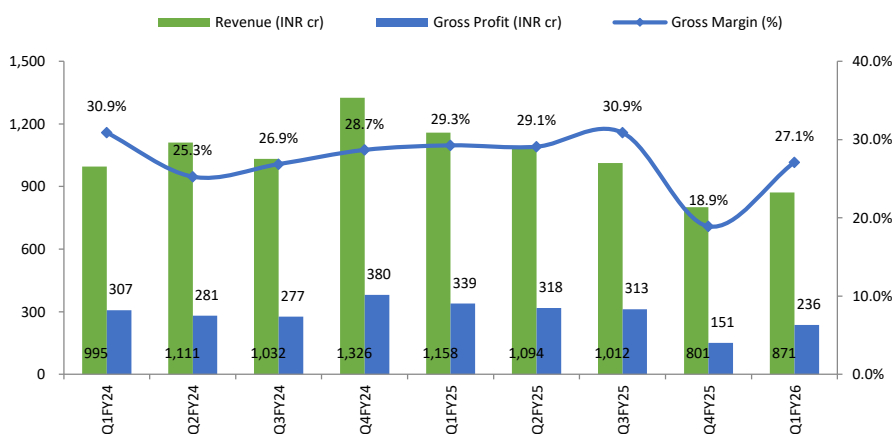
Q1FY26 Results

Income statement summary

Particular (INR cr)	Q1FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Revenue	1,158	801	871	-24.8%	8.8%
Net Raw Materials	819	649	635	-22.5%	-2.2%
Gross profit	339	151	236	-30.4%	56.0%
Gross margin (%)	29.3%	18.9%	27.1%	-217 bps	+819 bps
Employee Cost	89	91	105	18.8%	15.9%
Other Expenses	75	96	102	35.8%	6.1%
EBITDA	175	(36)	28	-83.8%	-179.0%
EBITDA Margin (%)	15.1%	-4.5%	3.3%	-1184 bps	+775 bps
Depreciation	24	30	32		
Interest expense	42	51	56		
Other income	10.5	13.6	14.5		
Profit before tax	119	(105)	(45)		
Taxes	8	(22)	(15)		
PAT	111	(83)	(29)		
PAT Margin (%)	9.6%	-10.4%	-3.4%		
EPS (INR)	0.8	(0.6)	(0.2)		

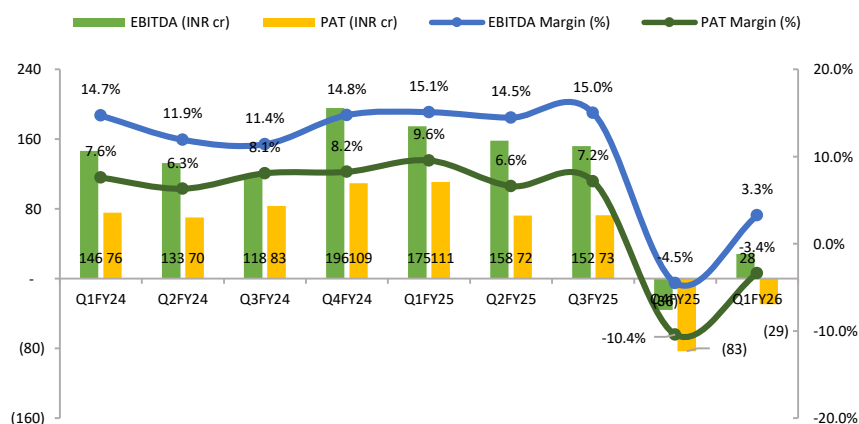
Source: Company Reports, Arianth Capital Research

Exhibit 1: Gross margins contracted by 217 bps YoY (up by 899 bps QoQ) to 27.1% Q1FY26 due to higher RM costs.



Source: Company Reports, Arianth Capital Research

Exhibit 2: EBITDA margin stood at 3.3% in Q1FY26, the lower gross margin, higher employee cost and other expenses impacted EBITDA margins.



Source: Company Reports, Arianth Capital Research

Q1FY26 Concall Highlights**Revenue**

- Revenue is expected to grow 25% YoY in FY26E.
- The growth is majorly driven by OFC (INR 2,700cr, inclusive exports of INR 1,200cr), BharatNet and EPC (INR 1,000cr) and Telecom Products (INR 1,200cr), and Defence (INR 200cr). Overall, the company revenue is expected to cross INR 5,000cr in FY26E.

Margins

- OFC margins are expected to be 15% and turnkey margins are expected to be 6%-8%. The profitability is expected to improve from Q2FY26E onwards.

Order book

- The order book stood at INR 10,480cr in Q1FY26. The company is getting repeated orders for Telecom products.
- Around INR 3,000cr orders are executable in FY26E, with INR 2,000cr is coming from turnkey projects like BharatNet and the balance from products.

Capex and Capacity expansion

- The capex is expected to be INR 250cr in FY26E, with INR 130cr allocated to IBR cable capacity in FY26E.
- OF capacity stood at 14mn fiber km/annum and is expected to reach 33.9mn fiber km/annum going forward.
- OFC capacity stood at 25mn fiber km/annum and is expected to reach 42.3mn fiber km/annum going forward. The expansion in Goa and Hyderabad facilities would lead to a global supplier of OFC, especially for markets in North America and Europe.
- The IBR cable capacity expansion of 1.73mn fiber km leads to an increase in the capacity of 19.01mn fiber km.

OFC

- OFC business is expected to grow at a double-digit rate in FY26E, driven by global demand and capacity expansion.
- The OFC business is witnessing a strong revival due to hyperscale data centers and next-gen digital infrastructure.
- OFC business revenue is expected to be around INR 27bn in FY26E.

OF and OFC prices

- OF prices were around INR 240-250/f.km and OFC prices were around 850-900/f.km in Q1FY26.

Defence

- Defence order book stood at INR 1,300cr (~12% of the total order book).
- Defence revenue is expected to be INR 2bn+ in FY26E.
- The company secured a contract for thermal weapon sights for AK-203 rifles and was declared the lowest bidder (L1) for an INR 90cr tender for tactical cables.

Q1FY26 Concall Highlights**Passive Connectivity solutions and Data centers**

- The company is developing passive connectivity solutions tailored for data centers, which are expected to contribute revenue from FY27E onwards.
- Revenue from passive connectivity solutions for telecom operators is targeted at INR 450cr in FY26E.

Bharat Net

- The BharatNet Phase III program is a significant contributor, with INR 650cr in router orders already secured and more expected as states roll out implementations.
- BharatNet revenue is expected to be INR 1,000cr in FY26E.

Exports

- Exports order book stood at INR 400cr and is witnessing strong traction from European and Asian markets for high-value fiber products. Around 50% of OFC revenue is expected to come from exports in FY26E.
- The company's high-value fiber products, including IBR cables, are gaining traction in stringent markets like Europe and Asia.

Inventory

- Global inventory levels have normalized, leading to renewed demand from telcos and data center operators.

New Products and Launches

- The company is developing next-gen defence products like weaponized drones, drone detection radars, and precision-guided missiles through collaborations with DRDO.
- In telecom, the company is advancing 5G and enterprise connectivity solutions, including indigenous 5G networking equipment.

Industry

- India has made remarkable progress in 5G deployment, covering over 82% of the population within 22 months of launch, while rural 5G expansion remains underway.
- OFC market is experiencing a resurgence after a period of subdued demand, fueled by the rapid expansion of hyperscale data centers and next-generation digital networks.
- India's push for self-reliance (Atmanirbhar Bharat) in defence manufacturing has created opportunities for companies like HFCL to supply indigenous solutions such as thermal weapon sights, tactical cables, and electronic fuses.
- Data center market is projected to exceed \$1 trn in the coming years.

Growth Drivers

- The key growth drivers include the global surge in OFC demand, BharatNet execution, defence modernization, and data center expansion.

Products and New Launches

Exhibit 3: Product Offerings

Telecom

Networking Products



1. Point to Point Unlicensed Band Backhaul Radio (UBR)
2. Indoor & Outdoor Wi-Fi 5, 6 and 7 Access Points
3. Unified Cloud based Network Management System
4. Ethernet L2 Switches
5. Home Mesh Routers
6. 5G Indoor & Outdoor FWA CPE
7. IP/ MPLS Routers

Optic Fiber/ Optical Fibers Cables



1. Optic Fiber
2. Armoured and Unarmoured Cable
3. Micro Cable
4. Micro Module Cable
5. Ribbon Cable
6. FTTH Cable
7. IBR Cable

Empowering global telcos with a wide range of new age products

Defence

Electronics Products



1. Electronic FUZE
2. High-capacity Radio Relay
3. Ground Surveillance Radar
4. Thermal Imaging Core (TI Core)
5. Thermal Weapon Sights (TWS)

Innovator in Indian defence technology space through indigenously developed products

Passive Connectivity Solutions



1. Cable Assemblies
2. High Density Cabinets
3. Fiber Termination Box
4. PLC Splitters
5. Joint Closures
6. Aerial/ FTTH Accessories

Supplying high quality compatible passive connectivity solutions for catering to high-speed networks

Wire Harness Portfolio



1. Aerospace and Defense Cable Assemblies
2. Automotive Cable Assemblies

Supplier of highly specialised, custom designed cables for the aerospace and automotive sectors

Source: Company reports, Arianth Capital Research

Exhibit 4: HFCL has launched Telecom & Defence products and some of them under development. Defence revenue is expected from Q2FY26E onwards.

Products Under Development



Telecommunication and Networking

- New Variants for Wi-Fi 6 and Wi-Fi 7 Access Points
- Variants of IP/MPLS Routers
- Global variants of Outdoor FWA CPEs

Wi Fi 7
Outdoor
Access Point

Wi Fi 6
Indoor
Solution

IP/ MPLS
Routers

FWA CPE



Coastal
Surveillance
and Drone
Detection
Radar

Multi
mode Hand
Grenade

Products Under Development



Defence Communication and Electronics

- Coastal Surveillance and Drone Detection Radar
- Multi Mode Hand Grenades

Source: Company reports, Arianth Capital Research

Outlook & Valuation: HFCL reported a de-growth of ~25% YoY in Q1FY26; however, the management strongly guided 25% YoY growth in FY26E, which translates into 50% growth is expected in the next 9 months. The growth is majorly driven by OFC (INR 2,700cr, inclusive exports of INR 1,200cr), BharatNet and EPC (INR 1,000cr) and Telecom Products (INR 1,200cr), and Defence (INR 200cr). Overall, the company revenue is expected to cross INR 5,000cr in FY26E. The company has a strong order book of INR 10,480cr (~2.6x of FY25 revenue) and getting regular order inflows in Telecom products. Telecom Products like Routers, Fixed Wireless Access Terminals for 5G applications, and new products like Wi-Fi 7 access points and higher capacity Unlicensed band radios will be a key growth driver. Defence revenue is expected from new product launches, including surveillance radars and electronic fuses. Defence revenue is expected from Q2FY26E onwards. The showcase at the Paris Air Show drew strong global interest, opening doors for future collaborations and exports. Global inventory levels have normalized, leading to renewed demand from telcos and data center operators. The demand is coming from hyperscale data centers will be a key growth driver. The BharatNet and US subsidy program would lead to great opportunities for the company. The revival of exports is backed by inventory normalization, capacity expansion, product portfolio expansion, and a strong client base that would drive the business going forward. At the CMP of INR 76 per share, we maintain our “BUY” rating at a TP of INR 123 per share based on DCF; an upside of 61.6%.

DCF Valuation

Valuation Assumptions		Valuation Data		WACC	
g (World Economic Growth)	3.5%	Total Debt (long term borrowings) (2025)	400	We	96.5%
Rf	6.4%	Cash & Cash Equivalents (2025)	491	Wd	3.5%
Rm	11%	Number of Diluted Shares (2025)	144	Ke	10.3%
Beta	0.9	Tax Rate (2026)	26%	Kd	8.9%
CMP (INR)	76	Interest Expense Rate (2026)	12%	WACC	10.3%
		MV of Equity	10,946		
		Total Debt	400		
		Total Capital	11,345		

FCFF & Target Price												
FCFF & Target Price	Explicit Forecast Period						Linear Decline Phase				Terminal Yr	
Particular (INR cr)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
EBIT * (1-Tax Rate)	315	417	535	688	871	1,098	1,344	1,595	1,831	2,034	2,182	2,258
Dep	94	103	112	118	134	141	229	271	311	346	371	384
Purchase of Assets	(260)	(146)	(148)	(115)	(101)	(103)	(94)	(112)	(128)	(142)	(153)	(158)
Changes in Working Capital	549	(476)	300	(248)	(330)	(718)	(94)	(112)	(128)	(142)	(153)	(158)
FCFF	698	(102)	798	443	573	418	1,385	1,642	1,886	2,095	2,247	2,326
Terminal Value											34,448	
Total Cash Flow	698	(102)	798	443	573	418	1,385	1,642	1,886	2,095	36,696	
Enterprise Value (EV)	17,596											
Less: Debt	400											
Add: Cash	491											
Equity Value	17,688											
Equity Value per share (INR)	123											

% Returns **61.6%**

Rating **BUY**

Sensitivity Analysis

		Terminal Growth (%)								
123		2.5%	2.8%	3.0%	3.3%	3.5%	3.8%	4.0%	4.3%	4.5%
WACC (%)	9.3%	131	135	140	144	150	155	162	169	176
	9.5%	125	129	133	137	142	147	153	159	166
	9.8%	119	123	127	131	135	140	145	150	157
	10.0%	114	118	121	125	129	133	138	143	148
	10.3%	110	113	116	119	123	127	131	135	140
	10.5%	105	108	111	114	117	121	125	129	133
	10.8%	101	104	106	109	112	115	119	123	127
	11.0%	97	100	102	105	107	110	114	117	121
	11.3%	94	96	98	100	103	106	109	112	115

Source: Company reports, Arianth Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR cr)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenue	3,839	4,423	4,727	4,743	4,465	4,065	5,024	6,169
Net Raw Materials	2,934	3,404	3,499	3,479	3,220	2,944	3,576	4,374
Employee Cost	224	253	311	348	351	364	495	601
Other Expenses	186	217	268	298	313	308	433	525
EBITDA	494	550	650	619	582	449	520	669
EBITDA Margin (%)	12.9%	12.4%	13.8%	13.0%	13.0%	11.0%	10.4%	10.8%
Depreciation	(42)	(69)	(78)	(83)	(82)	(106)	(94)	(103)
Interest expense	(115)	(175)	(166)	(152)	(147)	(185)	(207)	(183)
Other income	22	35	43	47	101	58	66	150
Profit before tax	358	337	442	431	454	217	285	532
Taxes	(121)	(91)	(116)	(113)	(117)	(43)	(67)	(136)
PAT	237	246	326	318	338	173	218	395
PAT Margin (%)	6.2%	5.6%	6.9%	6.7%	7.6%	4.3%	4.3%	6.4%
Other Comprehensive income	1	5	2	2	130	(36)	-	-
Total comprehensive income	238	251	328	319	467	137	218	395
EPS (INR)	1.9	2.0	2.4	2.3	3.2	1.0	1.5	2.7

Source: Company Reports, Arianth Capital Research

Balance sheet summary

Y/e 31 Mar (INR cr)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity capital	128	128	137	138	144	144	144	144
Reserves	1,540	1,788	2,661	2,970	3,812	3,935	4,117	4,446
Net worth	1,668	1,916	2,798	3,108	3,956	4,079	4,261	4,591
Minority Interest	(0)	7	20	37	44	40	40	40
Provisions	43	49	45	53	60	69	29	20
Debt	1,218	1,348	1,172	1,137	1,432	1,802	1,652	1,402
Other non-current liabilities	-	-	-	29	77	86	30	37
Total Liabilities	2,929	3,320	4,035	4,363	5,569	6,077	6,013	6,090
Fixed assets	437	443	465	487	496	630	937	1,013
Capital Work In Progress	15	12	47	71	154	200	60	26
Other Intangible assets	40	42	74	215	433	580	580	580
Goodwill	26	26	26	26	26	26	26	26
Investments	87	46	87	102	255	229	226	247
Other non current assets	37	45	47	57	60	88	65	80
Net working capital	1,535	1,931	2,366	2,537	3,265	3,220	2,671	3,147
Inventories	344	435	573	758	774	899	823	995
Sundry debtors	1,730	3,056	2,492	2,309	2,736	2,302	2,271	2,704
Loans & Advances	21	18	37	31	29	27	20	25
Other current assets	341	318	401	548	644	1,461	619	710
Sundry creditors	(815)	(1,748)	(1,037)	(878)	(808)	(1,079)	(962)	(1,175)
Other current liabilities & Prov	(85)	(148)	(99)	(232)	(110)	(391)	(100)	(111)
Cash	192	306	528	323	336	491	870	293
Other Financial Assets	560	468	395	546	544	612	578	679
Total Assets	2,929	3,320	4,035	4,363	5,569	6,077	6,013	6,090

Source: Company Reports, Arianth Capital Research

Du-Pont Analysis

Y/e 31 Mar	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Tax burden (x)	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.7
Interest burden (x)	0.8	0.7	0.8	0.8	0.9	0.6	0.7	0.9
EBIT margin (x)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Asset turnover (x)	1.3	1.1	1.0	1.0	0.9	0.7	0.9	1.1
Financial leverage (x)	1.8	2.2	1.9	1.5	1.4	1.4	1.4	1.3
RoE (%)	15.3%	13.7%	13.8%	10.8%	9.6%	4.3%	5.2%	8.9%

Source: Company Reports, Arianth Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR cr)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Profit before tax	358	337	442	431	454	217	285	532
Depreciation	42	69	78	83	82	106	94	103
Tax paid	(121)	(91)	(116)	(113)	(117)	(43)	(67)	(136)
Working capital Δ	(504)	(396)	(434)	(171)	(728)	45	549	(476)
Operating cashflow	(225)	(81)	(30)	230	(309)	324	861	23
Capital expenditure	(228)	(72)	(135)	(128)	(174)	(286)	(260)	(146)
Free cash flow	(452)	(153)	(166)	101	(483)	38	602	(124)
Equity raised	15	9	588	33	547	(25)	-	-
Investments	6	41	(41)	(15)	(153)	26	3	(21)
Others	47	81	39	(302)	(219)	(244)	57	(116)
Debt financing/disposal	422	130	(176)	(35)	295	370	(150)	(250)
Dividends paid	(15)	-	(19)	(24)	(29)	(29)	(36)	(66)
Other items	10	6	(4)	37	55	18	(96)	(2)
Net Δ in cash	32	115	222	(206)	14	155	379	(578)
Opening Cash Flow	159	192	306	528	323	336	491	870
Closing Cash Flow	192	306	528	323	336	491	870	293

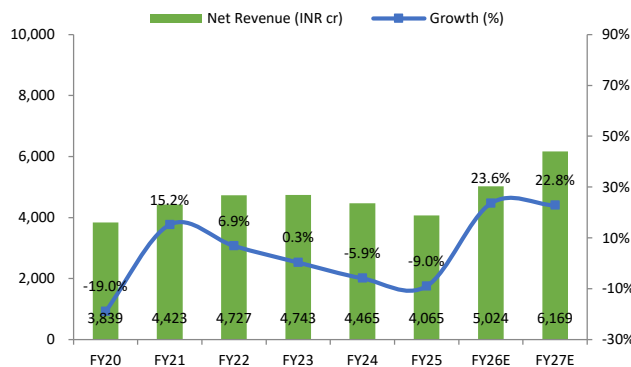
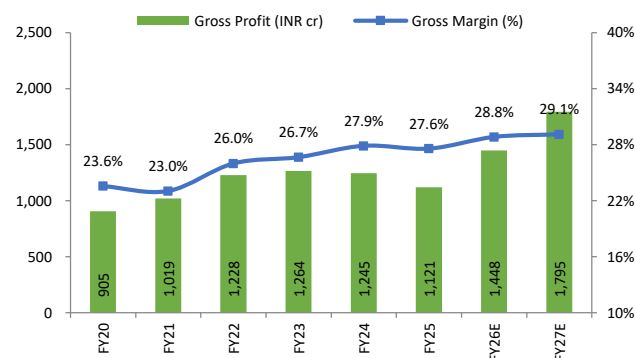
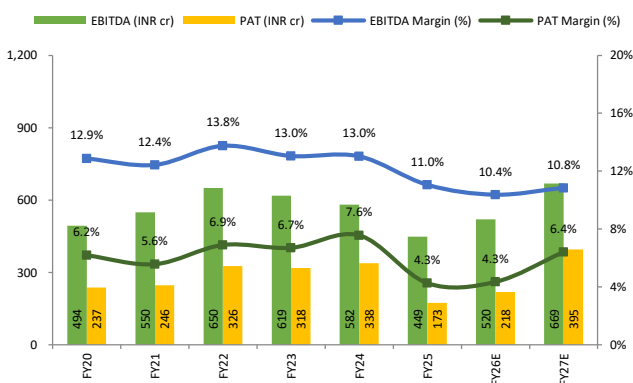
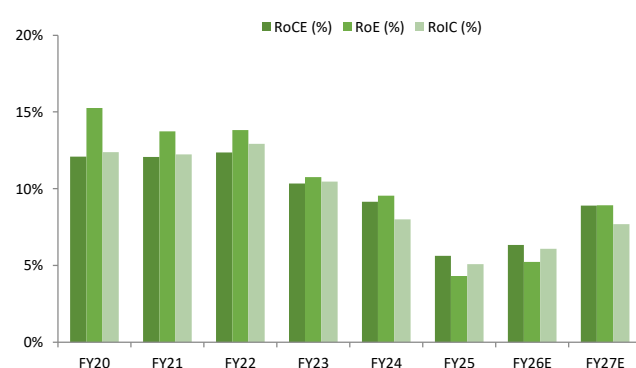
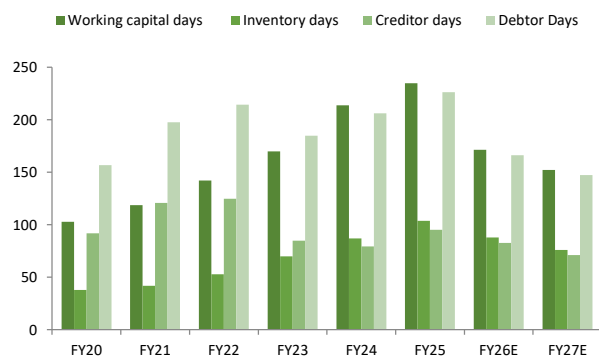
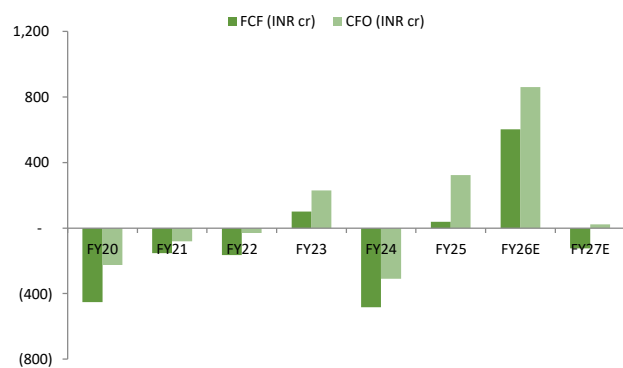
Source: Company Reports, Arianth Capital Research

Ratio analysis

Y/e 31 Mar	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Growth matrix (%)								
Revenue growth	-19.0%	15.2%	6.9%	0.3%	-5.9%	-9.0%	23.6%	22.8%
Op profit growth	18.9%	11.2%	18.3%	-4.8%	-6.0%	-22.8%	15.9%	28.5%
Profitability ratios (%)								
OPM	12.9%	12.4%	13.8%	13.0%	13.0%	11.0%	10.4%	10.8%
Net profit margin	6.2%	5.6%	6.9%	6.7%	7.6%	4.3%	4.3%	6.4%
RoCE	12.1%	12.1%	12.4%	10.3%	9.2%	5.6%	6.3%	8.9%
RoNW	15.3%	13.7%	13.8%	10.8%	9.6%	4.3%	5.2%	8.9%
RoA	8.1%	7.4%	8.1%	7.3%	6.1%	2.9%	3.6%	6.5%
Per share ratios (INR)								
EPS	1.9	2.0	2.4	2.3	3.2	1.0	1.5	2.7
Dividend per share	0.1	-	0.1	0.2	0.2	0.2	0.3	0.5
Cash EPS	2.2	2.5	2.9	2.9	2.9	1.9	2.2	3.5
Book value per share	13.0	14.9	20.4	22.6	27.5	28.3	29.5	31.8
Valuation ratios (x)								
P/E	40.9	38.8	31.9	32.7	23.4	79.7	50.1	27.7
P/CEPS	34.9	31.0	25.8	26.1	26.1	39.3	35.1	21.9
P/B	5.8	5.1	3.7	3.4	2.8	2.7	2.6	2.4
EV/EBITDA	21.6	19.6	16.9	18.0	20.2	26.8	22.1	17.7
Payout (%)								
Dividend payout	6.5%	0.0%	5.8%	7.7%	8.5%	16.6%	16.6%	16.6%
Tax payout	33.8%	26.9%	26.3%	26.2%	25.7%	20.0%	23.5%	25.6%
Liquidity ratios								
Debtor days	157	197	214	185	206	226	166	147
Inventory days	38	42	53	70	87	104	88	76
Creditor days	92	121	125	85	79	95	83	71
WC Days	103	118	142	170	214	235	171	152
Leverage ratios (x)								
Interest coverage	3.9	2.8	3.4	3.5	3.4	1.9	2.1	3.1
Net debt / equity	0.6	0.5	0.2	0.3	0.3	0.3	0.2	0.2
Net debt / op. profit	2.1	1.9	1.0	1.3	1.9	2.9	1.5	1.7

Source: Company Reports, Arianth Capital Research

Story in Charts

Exhibit 5: Revenue is expected to grow at 23.2% CAGR over the period of FY25-FY27E.**Exhibit 6: Softening of RM costs will lead to improvement in gross margins.****Exhibit 7: Growth in EBITDA & PAT levels****Exhibit 8: Return ratios to be improve****Exhibit 9: Telecom products WC cycle is lower and increase in products share would improved working capital days.****Exhibit 10: Cash flows to be improve**

Source: Company reports, Arianth Capital Research

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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