Quality Power Electrical Equipments Ltd. 29 Sept 2025

Electrifying returns - Strategic moat in HVDC and FACTS

INITIATING COVERAGE

Sector: Capital Goods **Rating: BUY**

CMP: Rs 1,014 **Target Price: Rs 1,550**

Stock Info	
Sensex/Nifty	80,426/24,654
Bloomberg	QPOWER IN
Equity shares (mn)	77
52-wk High/Low	1,072/271
Face value	Rs 10
M-Cap	Rs 79bn/ USD 888mn
3-m Avg volume	1.3mn

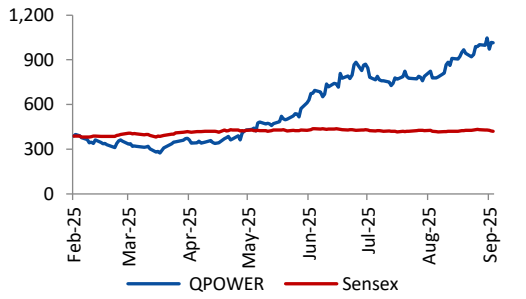
Financial Snapshot (Rs mn)

Y/E Mar	FY26E	FY27E	FY28E
Net sales	8,162	15,576	20,190
EBITDA	1,502	3,178	4,524
OPM (%)	18.4	20.4	22.4
PAT (adj.)	1,400	2,831	4,010
EPS (adj.) (Rs)	18.1	36.6	51.8
PE (x)	56.1	27.7	19.6
P/B (x)	14.1	9.5	6.5
EV/EBITDA (x)	51.5	24.4	16.7
RoE (%)	25.1	34.3	33.4
RoCE (%)	18.1	29.8	31.5
Net-D/E (x)	(0.2)	(0.1)	(0.2)

Shareholding Pattern (%)

	Jun'25	Mar'25	Sep'24
Promoter	74%	74%	99.9%
- Pledged			
FII	2%	4%	0%
DII	9%	6%	0%
Others	18%	13%	0%

Stock Performance (1-year)



Quality Power (QPOWER) has positioned itself as a market leader in key segments of the Transmission & Distribution (T&D) equipment industry. Its products (reactors, STATCOM) cater to High Voltage Direct Current (HVDC), Flexible AC Transmission System (FACTS), Instrument Transformer and other HV/MV/LV equipment markets, supporting voltages up to 765kV AC and 800kV DC. It plans to organically expand capacity by 9x, 2x and 0.45x across its three facilities in India over next two years. In addition, its recent entry into the GIS segment (partnership with global GIS leader Hyosung) positions it well to scale in both domestic and export markets for GIS equipment. Supported by a robust order book of Rs 7.75bn (during 1QFY26), comfort on demand runway, capacity expansion and margin accretion levers, we estimate ~6x and ~4x revenue and PAT growth over FY25-28E. Initiating a BUY with a target price of Rs 1,550, based on 30x FY28E EPS of Rs 51.8.

HVDC and FACTS – Benefiting from structural industry tailwinds

HVDC and FACTS have emerged as critical technologies in enabling and accelerating renewable power generation across global markets. Based on key announced projects, global HVDC and FACTS market could scale at 15% CAGR to USD 100-120bn over FY25-29E. QPOWER is strategically positioned to capture a share of the growth opportunities, given its proven presence in the HVDC (reactors, instrument transformers etc.) and FACTS (STATCOM, SVC, reactors) market.

Sole maker of >220kV HVDC/FACTS coils; huge GIS opportunity via Hyosung tie-up

QPOWER is the only company that manufactures coil products for HVDC and FACTS applications (>220 kV), as stated in its FY25 annual report. This positions the company uniquely in a niche, high-entry-barrier segment, where technology validation and testing capabilities are critical. Its customer base includes global OEMs such as Siemens, GE Vernova T&D, and Hitachi Energy. The recently announced co-development partnership with global GIS leader Hyosung opens door for significant GIS opportunity in both domestic and export markets.

Organic capacity expansion of >9x by 2QFY27

QPOWER intends to expand capacity across Sangli (9x), Kochi (2x) and Mehru (1.45x) facilities over next 6-9 months, thereby enhancing its manufacturing capacity in coil products, instrument transformers and specialty transformers. With an overall capex of ~Rs 2.3bn, QPOWER projects peak revenue of at least Rs 20bn by FY28.

High entry barriers in HVDC and FACTS provide structural advantages

High entry barriers in HVDC, FACTS, 400 kV AC, 765 kV AC and UHV provide structural advantages to QPOWER. Utilities typically mandate five to ten years of proven operating experience, prior to approving suppliers at these voltage levels, given the extremely high cost of grid shutdowns. Unlike lower-voltage equipment, where the entry barrier is comparatively low, the UHV space requires long qualification cycles and type-test history, insulating incumbents like QPOWER from fresh competition.

Initiate with BUY; TP of Rs 1,550

QPOWER is well positioned to capture strong tailwinds in HVDC, FACTS and GIS markets with revenue and PAT expected to grow 6x and 4x over FY25-28. Initiate QPOWER with BUY, TP of Rs 1,550 (30x FY28E EPS).

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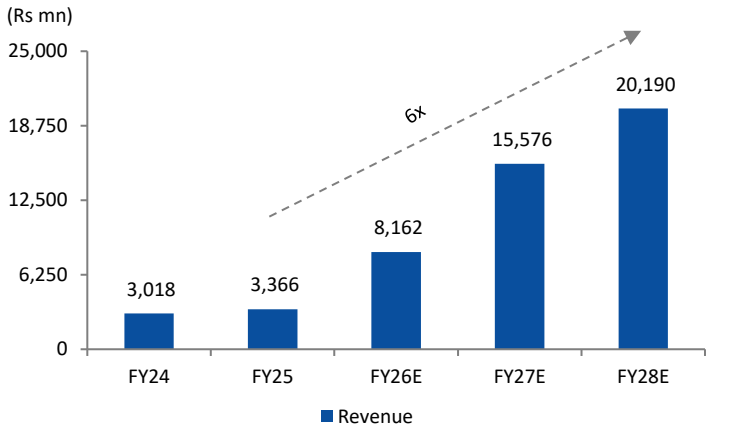
Investors are advised to refer disclosures made at the end of the research report.

Contents

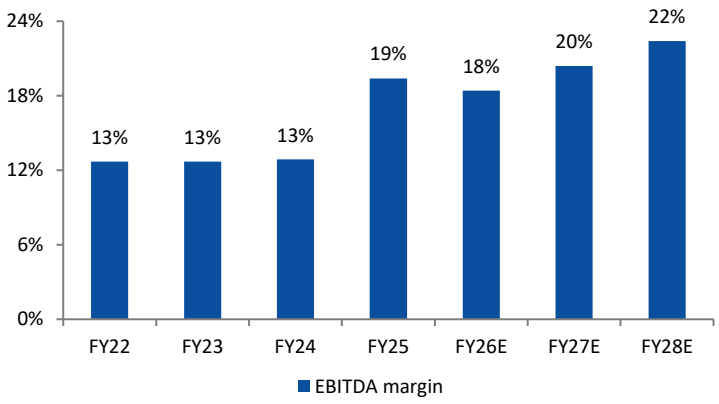
Story in Charts

Exhibit 1: FY28E revenue to reach ~6x of FY25



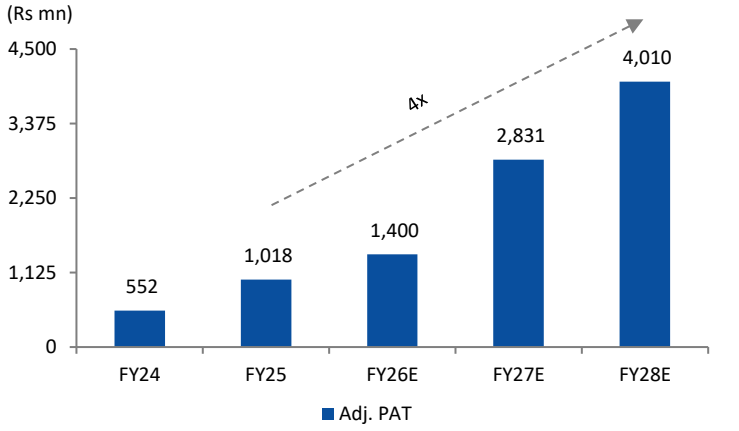
Source: Company, Systematix Institutional Research

Exhibit 2: Mehru and improved mix to drive EBITDA margin



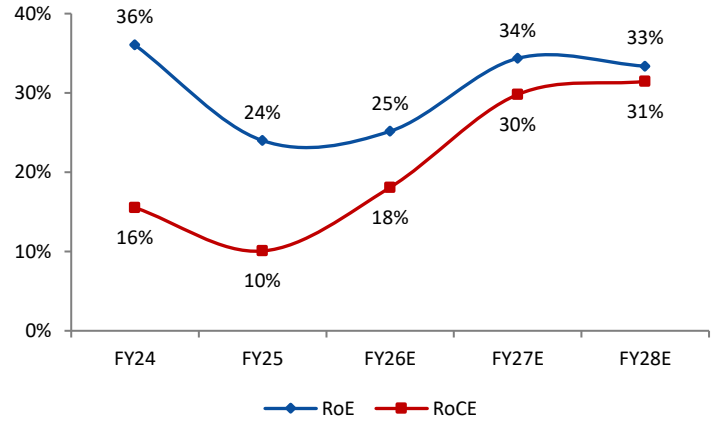
Source: Company, Systematix Institutional Research

Exhibit 3: FY28E PAT to reach ~4x of FY25



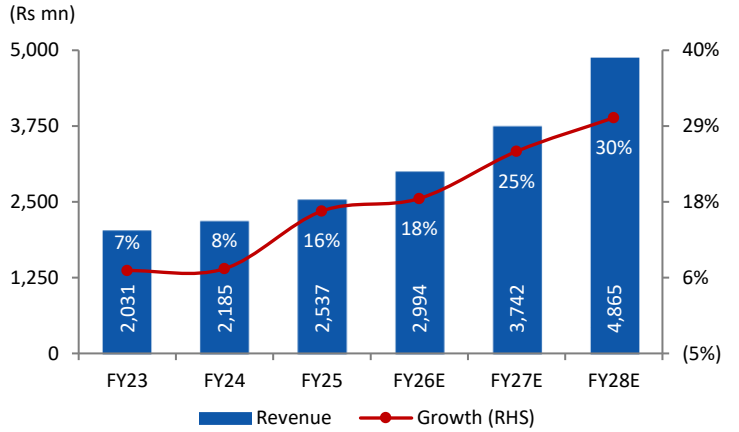
Source: Company, Systematix Institutional Research

Exhibit 4: RoE/RoCE to sustain at early thirties



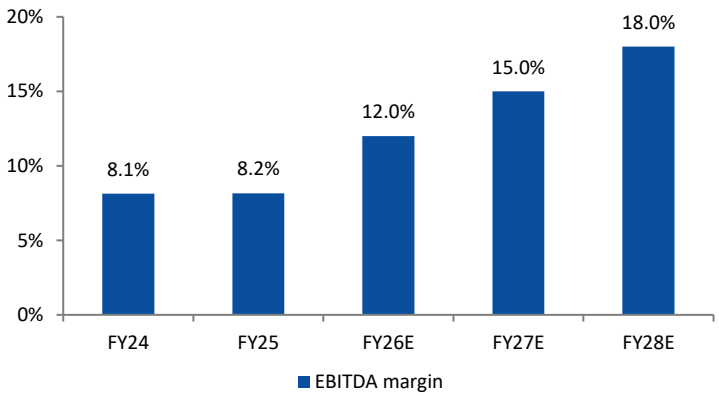
Source: Company, Systematix Institutional Research

Exhibit 5: Mehru's revenue to scale up to ~Rs 5bn in FY28E



Source: Company, Systematix Institutional Research

Exhibit 6: Mehru's margin to touch 18% in FY28E



Source: Company, Systematix Institutional Research

Investment Thesis

Transmission & Distribution – Rs 9.15trn capex opportunity over FY23-FY32

The National Electricity Plan (NEP) envisages a capex of Rs 9.15trn by FY32, driven by the need to augment inter-regional transmission capacity from 119GW to 168GW (+49GW) over FY23-32. This entails addition of ~2lakh ckm of transmission lines and ~1,100GVA of substation capacity over FY23-32 (>220kV). Additionally, 33.25GW of HVDC capacity (9 lines) is expected to be added during this period.

Exhibit 7: Planned addition in TL and substation capacities

	FY22-27	FY27-32	Total
Transmission Line (TL)			
Total addition (lakh ckm)	1.23	0.77	2.0
Substation capacity			
Total addition (GVA)	711	389	1,100

Source: NEP-transmission, Systematix Institutional Research

Exhibit 8: Transmission Lines and Substation capacity additions over 5 years

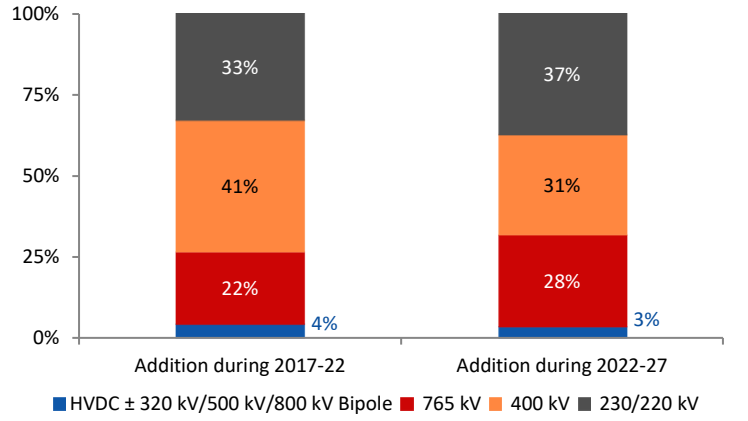
Transmission type	FY17	Addition (FY17-22)	FY22	Likely addition during 2022-27	FY27E
Transmission Lines (ckm)					
HVDC	15,556	3,819	19,375	4,300	23,675
765 kV	31,240	19,783	51,023	35,005	86,028
400 kV	1,57,787	36,191	1,93,978	38,245	2,32,223
230/220 kV	1,63,268	29,072	1,92,340	46,027	2,38,367
Total Transmission Lines	**3,67,851**	**88,865**	**4,56,716**	**1,23,577**	**5,80,293**
Substations (MVA)					
765 kV	1,67,500	89,700	2,57,200	3,19,500	5,76,700
400 kV	2,40,807	1,52,306	3,93,113	2,68,135	6,61,248
230/220 kV	3,12,958	1,07,679	4,20,637	1,23,305	5,43,942
Total Substation capacity	**7,21,265**	**3,49,685**	**10,70,950**	**7,10,940**	**17,81,890**
HVDC (MW)					
Bi-pole link capacity	16,500	14,000	30,500	12,000	42,500
Back-to back capacity	3,000	-	3,000	-	3,000
Total HVDC	**19,500**	**14,000**	**33,500**	**12,000**	**45,500**

Source: NEP-Transmission, Systematix Institutional Research

765kV lines and Substations to garner a larger share in capacity addition

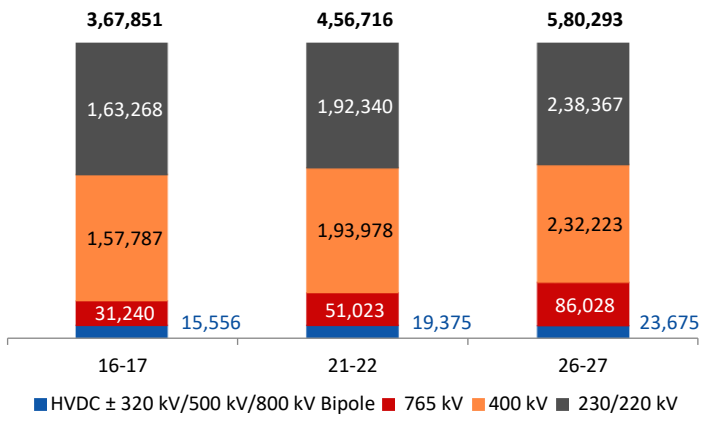
As part of the grid modernization plan, compared to FY17-22, 765kV is slated have higher contribution in incremental addition of both Transmission Lines (TL) and Substations during FY23-27. The contribution of 765kV category in the addition mix is expected to increase to 28% in TL (from 22% over FY17-22) and to 45% in Substation (from 26% over FY17-22), largely benefiting players in the higher kV category (QPOWER has significant presence in the 220kV and above voltage ranges in the form of reactors, instrument transformers, etc.)

Exhibit 9: Voltage-wise percentage share in TL addition



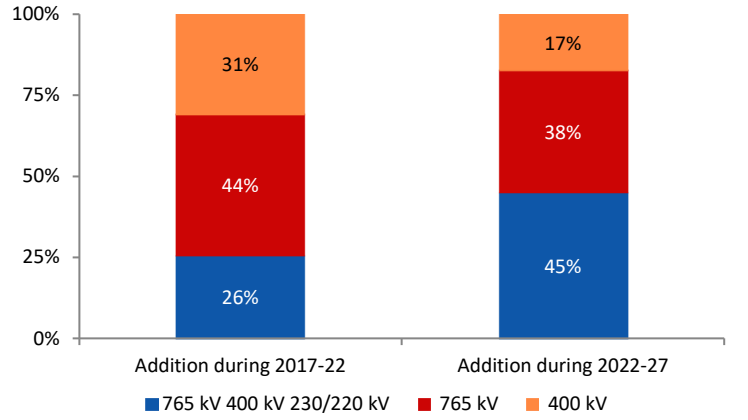
Source: NEP-transmission, Systematix Institutional Research

Exhibit 10: TL capacity to rise to 5.8 lakh ckm by FY27



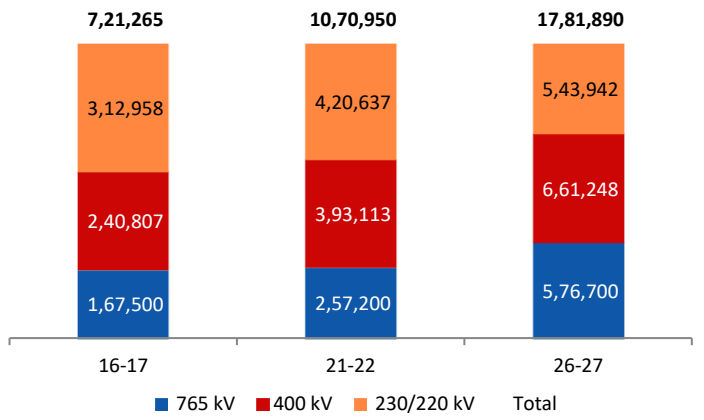
Source: NEP-transmission, Systematix Institutional Research

Exhibit 11: Higher share of 765kV in Substation capacity addition during FY22-27



Source: NEP-transmission, Systematix Institutional Research

Exhibit 12: Substation capacity to touch 1,782GVA by FY27



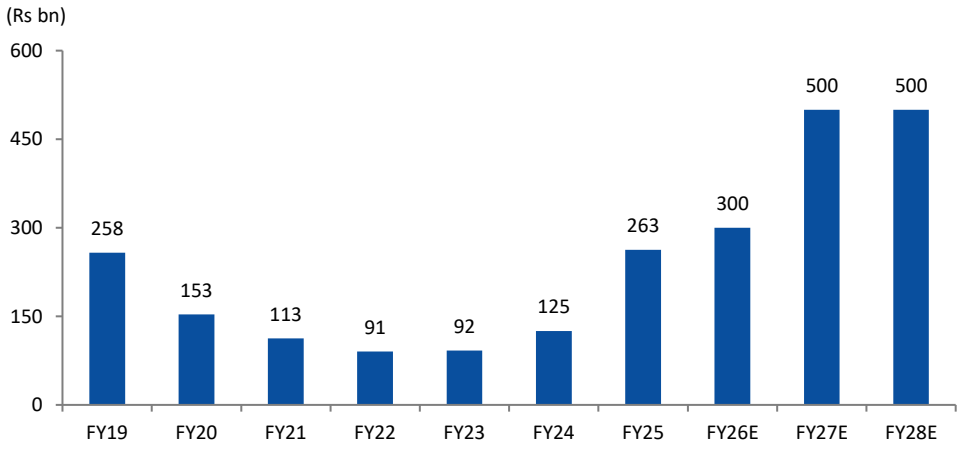
Source: NEP-transmission, Systematix Institutional Research

PGCIL and Adani Energy to ramp up capex in transmission, increased private capex diversifies source of funds

The increased proportion of tariff based competitive bidding (TBCB) in inter-state transmission projects has enabled private developers to secure a greater share of such projects. This has led to more diversified sources of investments in transmission sector in India, reducing dependence on a single operator such as PGCIL, which historically accounted for the bulk of capacity additions. Leading private players such as Adani Energy Solutions, Sterlite Power, Apraava Energy, and IndiGrid have now emerged as significant contributors to the transmission infrastructure.

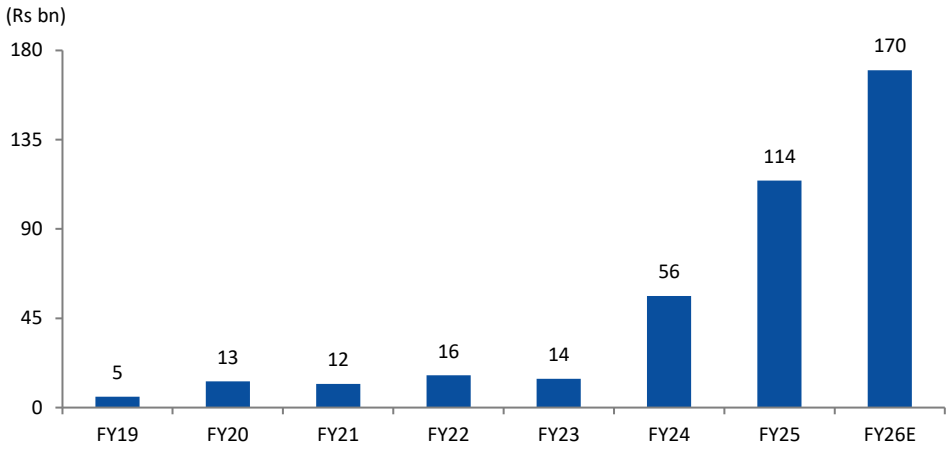
PGCIL's capex is expected to jump to Rs 500bn by FY27 growing ~2x from FY25. The second largest Transmission System Operator (TSO), Adani Energy, is also scaling up its capex to Rs 170bn in FY26 (+49% YoY).

Exhibit 13: PGCIL - ~4x jump in capex to Rs 500bn by FY28



Source: Company, Systematix Institutional Research

Exhibit 14: Adani Energy - Capex to rise by +48% YoY to Rs 170bn in FY26



Source: Company, Systematix Institutional Research

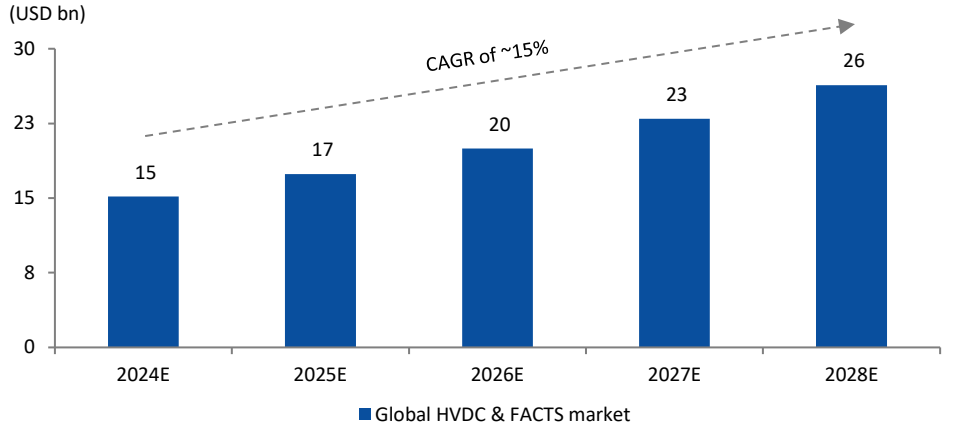
In addition to these two giants, Apraava Energy (Not Listed) too has announced a capex of Rs 120bn for the next three years, with IndiGrid (NOT RATED), focused on transmission and Battery Energy Storage Systems (BESS) projects, expected to deploy around Rs 40bn until mid FY27. This surge reflects an expanding pipeline of large-scale grid modernization and renewable integration projects.

Industry tailwind an unparalleled opportunity for the HVDC and FACTS industry

Rising renewable penetration and complex grid integration needs are driving a global resurgence in HVDC and FACTS, making them the technologies of choice. Utilities worldwide are ramping up HVDC project announcements, underscoring the growing demand for long-distance power transfer, grid integration and balancing solutions. QPOWER DRHP (research by Maia Research, CareEdge Research) estimates the global HVDC and FACTS market to expand at 75-80% CAGR to ~USD 250bn by 2028.

Based on the **visibility of some large projects announced** (Exhibit 19), we estimate the global HVDC and FACTS market to touch ~USD 120-130bn (cumulative) over the next 4-5 years. Three large projects are expected to drive this growth (1) National Grid HVDC, UK (2) TenneT 2GW Program and, (3) SunZia Transmission Project (US). More such announcements are expected to boost our projections.

Exhibit 15: Global HVDC & FACTS market expected to grow at ~15% over CAGR FY24-28



Source: Company, Systematix Institutional Research

Exhibit 16: Key global HVDC projects

Project	Size (Capacity)	Utility/Owner	Converter station EPC	Investments (USD bn)	Length	Main purpose	Status	Region
SunZia (US)	3 GW	Pattern Energy	Hitachi	11	885 km	Wind to Arizona grid	Underway	US
National Grid HVDC (UK)	17 projects, 2 GW+ each	National Grids (UK)	Siemens Energy, GE Vernova, Hitachi Energy, and Mitsubishi Electric	80	250-400 km each	Offshore, cross-border interconnectors	Planned	UK, The Netherlands
TenneT 2GW Program (EU)	12 projects, 2 GW each	TenneT	Petrofac and Hitachi	15	200-300 km each	North Sea wind collection	Underway	Germany, The Netherlands
Graca Aranha (Silvania)	5 GW	State Grid Brazil Holding (SGBH)	NA	4	1,468 km	Long-distance renewables	Announced	Brazil
Cook Strait upgrade (NZ)	>1 GW (upgrade)	Transpower	NA	1.1	~40 km (cable)	Replace aging link, secure supply	Planning	New Zealand

Source: Company, Systematix Institutional Research

The Great Grid Upgrade - National Grid HVDC, UK

In a bid to ensure greater self-reliance for its energy needs, the United Kingdom (UK) is targeting at deploying 50GW of offshore wind by 2030. In order to evacuate the power from these offshore wind sites, the country has planned a **Great Grid Upgrade**, which consists of 17 infrastructure projects (over 2GW each) across England and Wales to secure energy from wind turbines in the North Sea. The overall length of transmission infrastructure is estimated at 250-400km for each project, entailing a total investment of ~USD 80bn. National Grid, UK (developer) has awarded the HVDC converter technology contracts to Siemens Energy, GE Vernova, Hitachi Energy, and Mitsubishi Electric.

Exhibit 17: Offshore converter station

Source: Company, Systematix Institutional Research

TenneT 2GW program (HVDC)

Europe's TenneT awarded over USD 15bn of contracts (largest in Europe) in 2023 to build North Sea grid connections for offshore wind energy. For this purpose, 12 grid connection converter systems (of 2GW each) have been set up to generate electricity, which are expected to be completed by 2031. TenneT (developer) has awarded the EPC work to a consortium of Petrofac and Hitachi Energy

SunZia transmission project (US, HVDC)

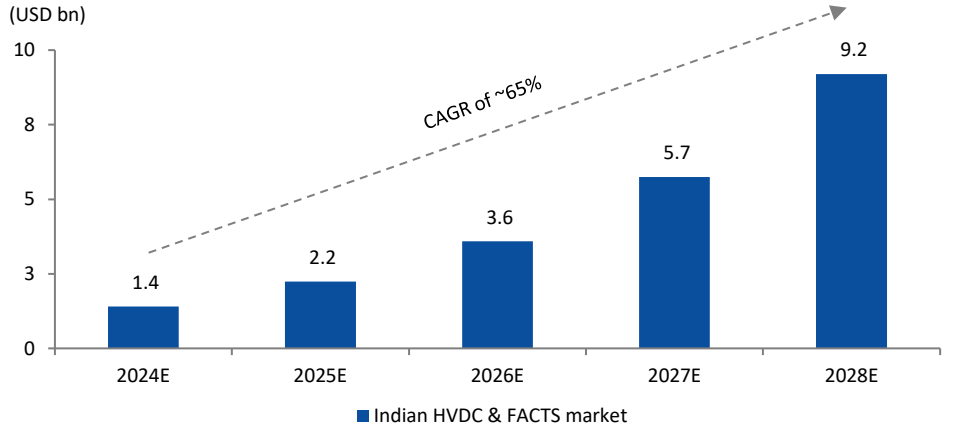
Pattern Energy, an American company, has awarded a major turnkey transmission project to a consortium led by Hitachi Energy and Quanta Services. The USD 11bn project involves the construction of an 885-kilometer HVDC line designed to transport 3GW of renewable power, using two converter stations.

HVDC market in India could expand to USD 10bn by CY28

The HVDC and FACTS market in India expanded at 7% CAGR from USD 576mn in CY19 to USD 743mn in CY23. This market is expected to accelerate at 60-65% to USD 9-10bn by CY28 **(QPOWER DRHP)**

India has five operational HVDC links a) Rihand-Dadri, b) Ballia-Bhiwadi, c) Chandrapur-Padge, d) Talcher-Kolar and e) Mundra-Mohindergarh. Central Electricity Authority (CEA), in its National Electricity Pipeline (NEP – Transmission) has indicated plans to add ~33GW of HVDC capacity over FY23-32. After the recent awarding of (1) Bhadla-Fatehpur, (2) Khavda-Nagpur (3) Fategarh–Beawar, two projects (Khavda–South Olpad and Barmer–South Kalamb) are expected to be bid out to the transmission system operators (TSOs) in FY26, with the Leh-Kaithal HVDC to follow suit.

Exhibit 18: HVDC and FACTS market in India expected to clock 65% CAGR over FY24-28



Source: Company, Systematix Institutional Research

Exhibit 19: Planned HVDC projects in India

Project	Capacity (MW)	Expected time of award to the developer	Expected order size (Rs bn)	Comments
Leh – Ladakh	5,000	Under consideration	NA	• Challenges due to elevation • Only 1 technology supplier interested • VSC-based HVDC ideal, but exploring HVAC too
Bhadla – Fatehpur	6,000	Awarded to Adani Energy Solutions	250	Awarded to consortium of Hitachi Energy and BHEL
Barmer – South Kalamb	6,000	CY25 end	300	NCT approved
Khavda – Nagpur	6,000	Awarded to PGCIL	350	NA
Bikaner – Begunia	6,000	NA	NA	Under planning
India – Sri Lanka	1,000	NA	NA	Under planning
Paradip – Andaman	500	NA	NA	Under planning
Imphal – Myanmar	500	NA	NA	Under planning

Source: Company, Systematix Institutional Research

HVDC converter technology - A triopoly in India

India has a number of ancillary companies that supply to the HVDC value chain. Of these, there are only three players that own end-to-end converter technology – **Siemens Energy, Hitachi Energy and GE Vernova T&D**. While GE and Hitachi aim to participate in both Line Commutated Converter (LCC) and Voltage Source Converter (VSC)-based HVDC projects, Siemens Energy prefers to go pure-play in VSC.

BHEL is also a significant player in the HVDC value chain and focuses on LCC technology, producing key HVDC equipment in-house, such as thyristor valves, converter transformers, and shunt reactors for ±800 kV UHVDC applications.

Hitachi Energy (erstwhile ABB) is a market leader in HVDC EPC projects in India. It is a pioneer in India's HVDC technology (along with Siemens) and was the first to set up the Rihand Dadri project. It is involved in at least six major HVDC projects such as Talcher-Kolar, Biswanath Agra, etc., and has recently won two major HVDC orders in consortium with BHEL (1) Bhadla–Fatehpur and (2) Khavda–Nagpur, implying the company's significant market share in India.

Siemens Energy is the other key player in India's HVDC market, focusing on the VSC technology in particular. It claims to have commissioned India's first HVDC link featuring VSC technology, the ±320 kV, 2,000 MW Pugalur (Tamil Nadu) to Thrissur (Kerala) link. This project supports grid stability and renewable energy integration in southern India. It could become a likely candidate for the upcoming Leh-Kaithal HVDC project, as Hitachi Energy might have its plate full, given its recent back-to-back wins in HVDCs.

GE Vernova has executed key projects like the Sasaram back-to-back HVDC link and the Champa-Kurukshetra ±800 kV UHVDC transmission project. Through these projects, the company has managed to enhance grid stability and enable the integration of renewable energy sources. The company is currently expanding its manufacturing and technology footprints in India by investing in new production lines and labs to strengthen local HVDC capabilities and advanced grid equipment.

Exhibit 20: Historical HVDC projects In India

Project name	Developer/Owner	EPC/Main contractor	Project cost (Rs mn)	Commissioning date
Rihand – Dadri	PGCIL	ABB	14,500	1991
Talcher – Kolar	PGCIL	ABB	20,000	2003
Chandrapur – Padge	PGCIL	BHEL/ABB	12,000	1999
Ballia – Bhiwadi	PGCIL	Siemens/ABB	50,000	2011
Mundra – Mohindergarh	Adani Transmission	Siemens/ABB	30,000	2012
Biswanath – Agra (NERER)	PGCIL	ABB/Siemens	1,20,000	2015
Pugalur – Thrissur (VSC)	PGCIL	Siemens/Sumitomo Electric (VSC)	70,000	2021
Vidhyanchal B2B	PGCIL	BHEL/ABB	4,000	1989
Chandrapur B2B	PGCIL	BHEL	7,000	1997
Sasaram B2B	PGCIL	GE Vernova (Alstom erstwhile)	8,000	2002
Gazuwaka B2B	PGCIL	BHEL	5,000	2005
Champa – Kurukshetra HVDC	PGCIL	GE Vernova	1,15,000	2017-19

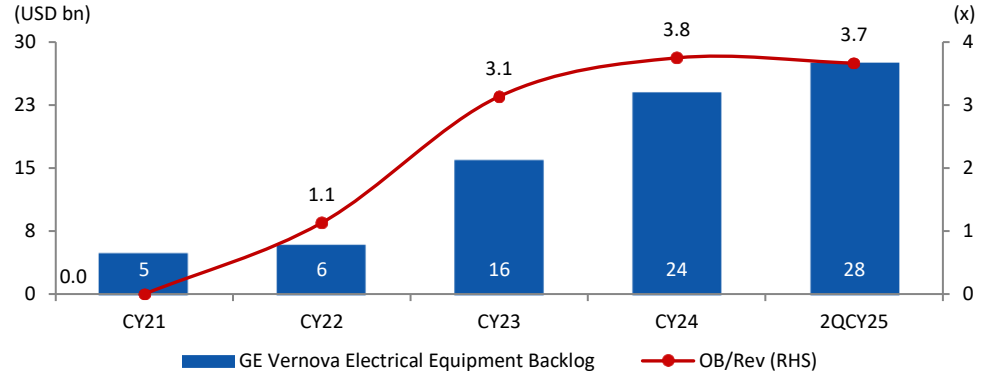
Source: Company, Systematix Institutional Research

Global HV Equipment OEM capacities tied up for 4-5 years

The global demand for HVDC solutions has surged significantly, resulting in a huge jump in the order books of global HVDC OEMs. This increased demand presents a critical opportunity for QPOWER - a key player in the HVDC supply chain. QPOWER's FY25 annual report also mentions HV equipment European factories that are witnessing multi-year backlogs.

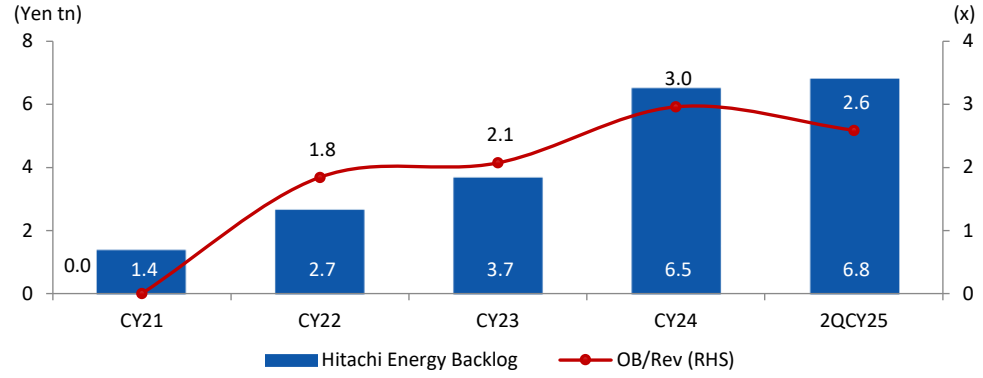
There is huge supply scarcity in the global HV Equipment, HVDC and FACTS market. This is exemplified by the sharp spurt in order book/revenue (OB/rev) ratios of global HV Equipment OEMs such as GE Vernova T&D (~4x at 2QCY25 from ~1x in CY22), Hitachi Energy (~3x at 2QCY25 from <1 in CY21 and Siemens (~4x from 3x in CY22).

Exhibit 21: GE Vernova - Electrification segment booked for ~4 years



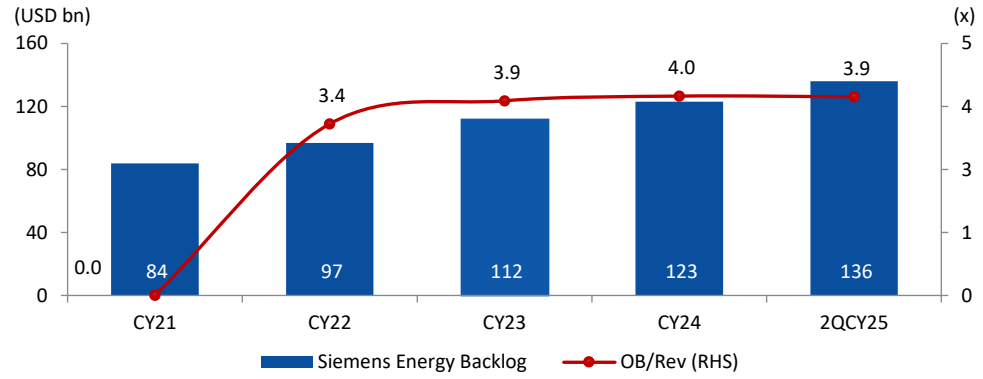
Source: Company, Systematix Institutional Research

Exhibit 22: Hitachi Energy – OB/rev has tripled



Source: Company, Systematix Institutional Research

Exhibit 23: Siemens Energy OB/rev also at ~4x



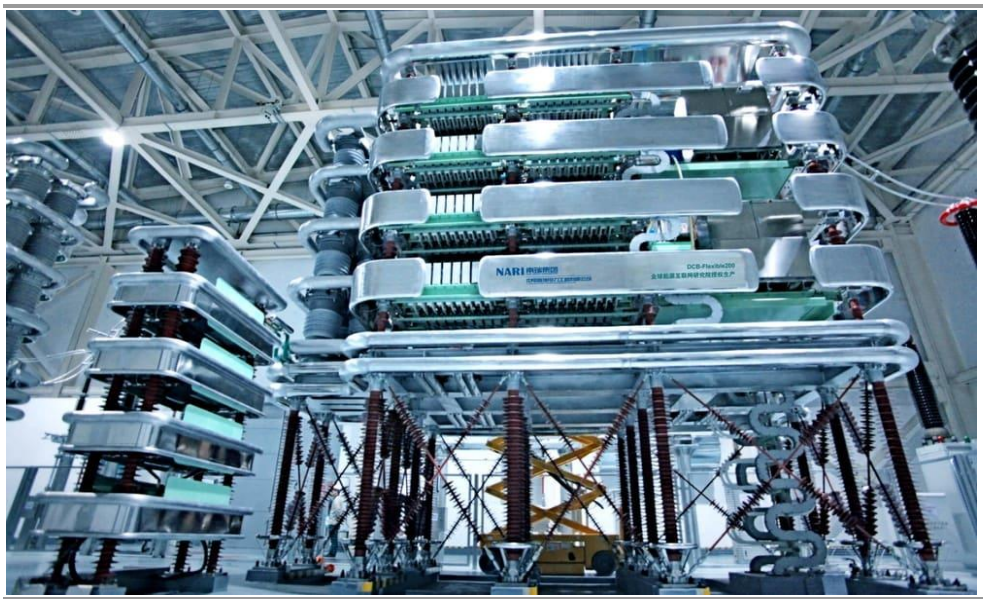
Source: Company, Systematix Institutional Research

India's exclusive HVDC and FACTS solutions (>220kV) coil product manufacturer

QPOWER caters to the HVDC value chain through four products 1) reactors, 2) instrument transformers, 3) earthing transformers and 4) line traps. QPOWER's products constitute 1-2% of the overall project scope of HVDC. The company has manufacturing facilities in a) Sangli (Maharashtra), b) Bhiwadi (Rajasthan), c) Pune (Maharashtra), d) Aluva (Kerala) and e) Ankara (Turkey).

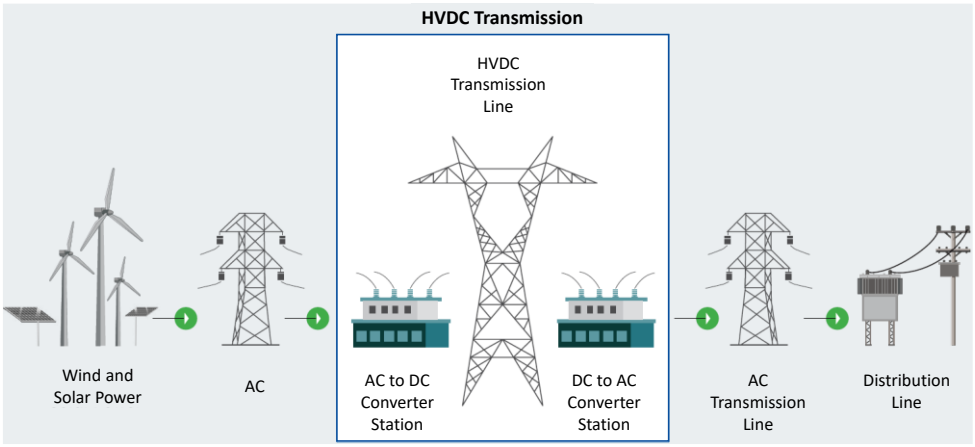
QPOWER claims to be the only Indian parentage company that manufactures coil products for HVDC and FACTS applications (>220 kV). It has 765kV class manufacturing capability at its Sangli and Kochi facilities for reactors and line traps. The company is already selling in over 100 countries (such as Europe, South Korea, Australia, Sweden, Finland), with GE Vernova T&D, Hitachi Energy, ABB and Siemens as its customers. It is a certified supplier to a majority of the utilities and EPCs across the world in its existing product categories and is uniquely positioned to benefit from the spurt in HVDC and FACTS requirements. The company recently type-tested the **world's largest three-phase Magnetically Shielded Reactors (MSR) and HVDC converter reactors for a global client** exemplifying its technological prowess in the HVDC space.

Exhibit 24: HVDC Station



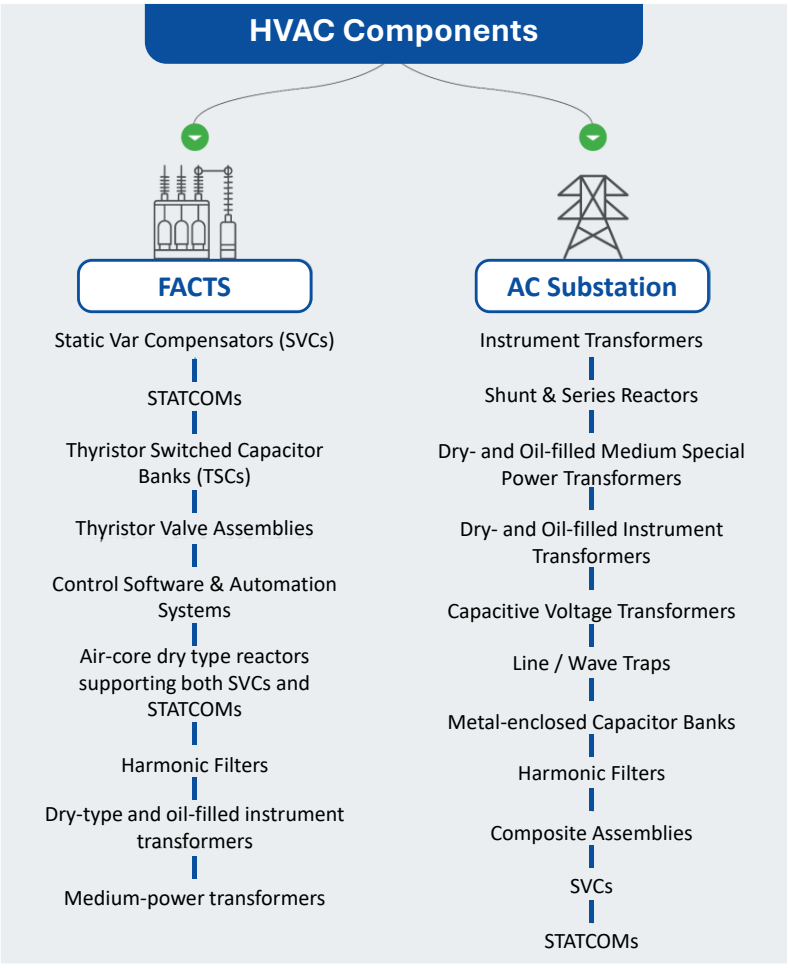
Source: Company, Systematix Institutional Research

Exhibit 25: HVDC application in the grid



Source: Company, Systematix Institutional Research

Exhibit 26: FACTS and HVAC components



Source: Company, Systematix Institutional Research

A supplier and turnkey player in FACTS

Through its Turkish subsidiary, Endoks, QPOWER manufactures and exports its turnkey FACTS equipment such as STATCOM and SVC products in the global arena.

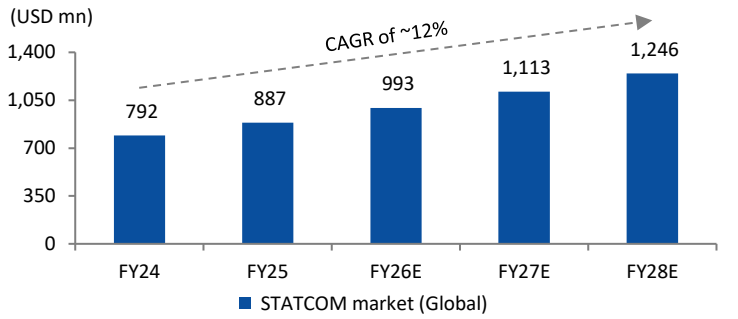
STATCOM stabilizes voltage and improves power quality in renewables, grids, industries, and railways by managing load fluctuations. With IGBT valves and reaction time of ~4 milliseconds, STATCOM is more suited for grid applications, where the cost of failure is high. SVC on the other hand, is better fit for industrial applications, as it has thyristor valves reaction time of 8 milliseconds.

Within the FACTS ecosystem, QPOWER stands out as a turnkey solutions provider (STATCOMs, SVCs etc.) and a product supplier to FACTS manufacturers (air-core dry type reactors that support both SVCs and STATCOMs). It has the capability to manufacture STACOM (up to 5MVAr), SVC (up to 66kV), MECB (up to 33kV), in addition to the passive and hybrid systems.

STATCOM and SVC market gaining traction

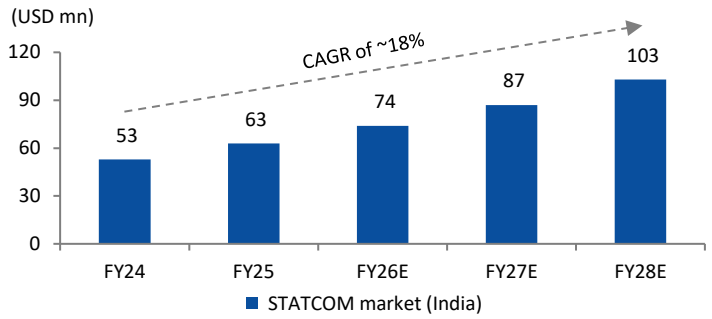
Integration of renewables into the grid presents challenges with respect to voltage fluctuations and intermittent power generation. As a result, STATCOM and SVC markets are gaining increased traction. The global STATCOM market is categorized into key regions, namely, North America, Europe, Asia Pacific, Latin America, and the Middle East & Africa. The Asia Pacific region is projected to hold a dominant position in the market, primarily due to accelerated industrialization, urbanization, and large-scale infrastructure development initiatives in countries such as China, India, and South Korea. The global STATCOM market is projected to expand at 12% CAGR from USD 792mn in FY24 to USD 1.25bn in FY28. India's STATCOM market is estimated to record ~18% CAGR from USD 53mn in 2024 to USD 103mn in 2028, driven by grid modernization, growing use in HVDC systems and industrial demand. The global SVC market is forecast to expand at 8% CAGR from ~USD 2.1bn in 2024 to USD 2.8bn in 2028. India's SVC market is projected to rise at 18% CAGR over FY24-28 to USD 243mn (Source: QPOWER DRHP).

Exhibit 27: STATCOM - Global market to expand at ~12% CAGR to $1.25bn (FY24-28E)



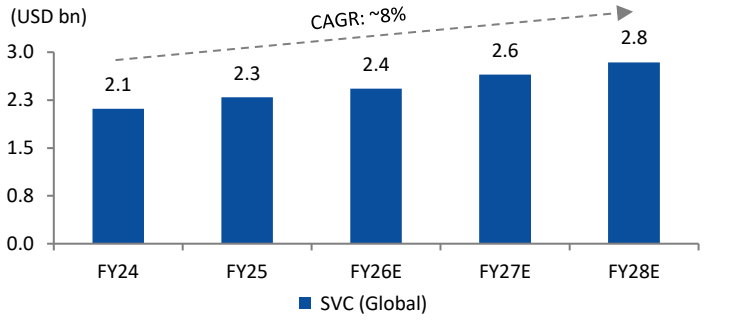
Source: Company, Systematix Institutional Research

Exhibit 28: STATCOM - India market to expand at 18% CAGR to USD 103mn (FY24-28E)



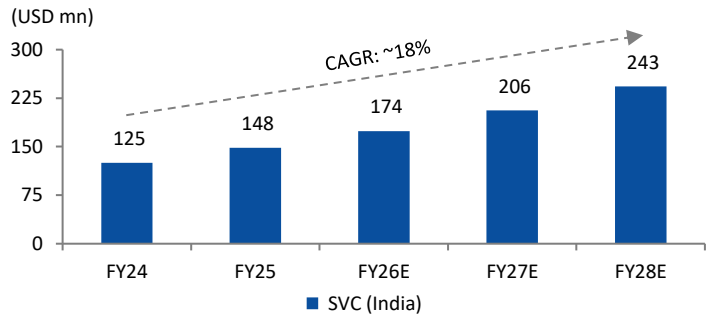
Source: Company, Systematix Institutional Research

Exhibit 29: SVC - Global market to grow at 8% CAGR to $2.8bn (FY24-28E)



Source: Company, Systematix Institutional Research

Exhibit 30: SVC - India market to double at ~18% CAGR to USD 243mn (FY24-28E)

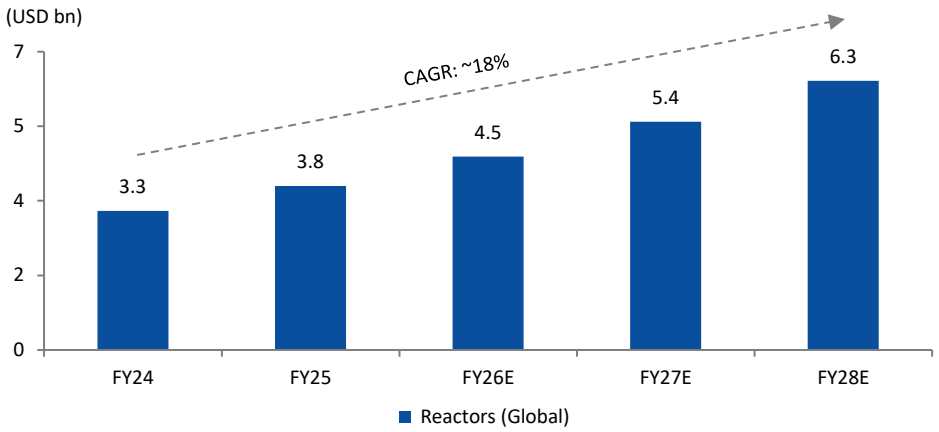


Source: Company, Systematix Institutional Research

Global reactor market to clock 18% CAGR over FY24-28E

Reactor is one of the key products in QPOWER's portfolio with the company manufacturing oil-filled, air-core, iron-core reactors (up to 765kV). HVDC converters can generate harmonics due to the switching actions in the power electronics. Reactors are employed as harmonic filters to mitigate these harmonics, ensuring the smooth operation of the HVDC system. In line with other HVDC and FACTS equipment market, the global reactor market (for HVDC and FACTS application) is also expected to grow at ~18% CAGR from USD 3.3bn in 2024 to USD 6.3bn in FY28.

Exhibit 31: Global reactor market to almost double to USD 6.31bn (FY24-28E)



Source: Company, Systematix Institutional Research

High entry barriers in HVDC, FACTS, UHV - edge for QPOWER

The HVDC, FACTS, 400kV, 765kV and above markets have high entry barriers, which is a key structural advantage for QPOWER. Utilities typically mandate five to ten years of proven operating experience prior to approving suppliers at these voltage levels, given the extremely high cost of grid shutdowns. Unlike lower-voltage equipment, where the entry barrier is low comparatively, the ultra-high voltage (UHV) space requires long qualification cycles and type-test history. This effectively insulates incumbents like QPOWER from fresh competition. Even if new players were to begin developing today, it would take those 7–8 years to secure meaningful approvals, giving QPOWER a sustained competitive edge in the prevailing HVDC/FACTS demand cycle.

In many international markets, there is a two-tier approval process where companies are required to obtain approvals from both the utility and the EPC player to participate in the project. QPOWER counts on customers such as Hitachi Energy, GE Vernova T&D, Siemens Energy (global leaders in AC and DC HV equipment) and is also approved with a majority of the utilities worldwide for its range of products.

Stringent approval process of HV electrical equipment

A framework of international standards, regional regulations, and national certification requirements governs the approval process for high voltage equipment in the global arena. Key players include the **International Electro technical Commission (IEC), the IEEE (Institute of Electrical and Electronics Engineers)** and various regional authorities.

IEC standards, such as IEC 60076 (transformers) and IEC 62271 (switchgear and control gear) set the baseline for technical, safety, and testing requirements for high voltage equipment worldwide. IEEE/ANSI standards are predominant in the US and North America, covering similar equipment but with some regional differences in technical details and terminology. In Europe, CENELEC collaborates with IEC, and the Low Voltage Directive (LVD) applies 1,000V AC/1,500V DC, with other standards for higher voltages.

In India, CEA Regulations, 2023 (measures pertaining to safety and electric supply) primarily governs the process and sets out safety requirements for construction, installation, protection, operation, and maintenance of electric supply lines and HV apparatus.

Exhibit 32: HV equipment approval process in India

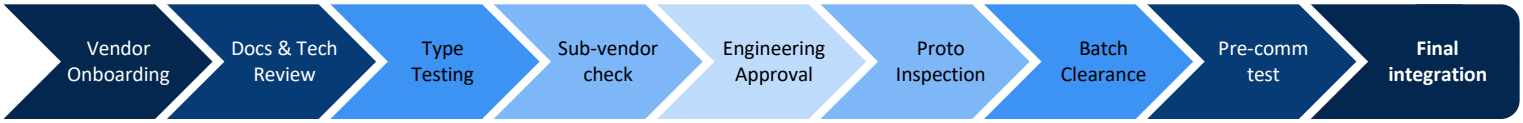
		Regulator/Agency	Key requirement
Procedure Stage	Initial Approval (Energization)	Chief Electrical Inspector	Application with technical docs; site inspection
	Type Testing (Hazardous areas)	PESO	Ex equipment type approval, test certificates
	Periodic Inspection	Electrical Inspectorate	Every 5 years, update SLD, test records, compliance
	Technical Standards	BIS/CEA	IS/IEC (62271, 60076, etc.) compliance

Source: Company, Systematix Institutional Research

PGCIL's approval process

PGCIL enforces one of the most stringent approval processes for HV equipment in India, both for new vendors and for every batch of procured equipment. It starts with vendor and equipment approval process and entails project specific and batch approvals. Type tests as per relevant IEC/IS/PGCIL specifications are mandatory for all major equipment, requiring test reports from NABL-accredited labs. For critical HV equipment (e.g., transformers, GIS, switchgear), vendor experience and track record are scrutinized, requiring proof of supply and satisfactory operation for at least two years in similar projects.

Exhibit 33: PGCIL's stage-wise approval process



Source: Systematix Institutional Research

Huge organic capacity expansion planned over next two years

QPOWER intends to significantly expand capacities of finished goods and inputs to improve its overall execution time. The company meets ~85% of its input needs in house. A new 10-acre facility (spread over 3,20,000 sq. ft. under construction in Sangli for this purpose is expected to create one of the largest and most integrated coil factories in the world. Management intends to complete the project by 2QFY27. At the same time, its Cochin facility is set for 2x capacity expansion till November 2025, which includes the establishment of a new MV test lab for product and quality testing. The company's recent acquisition, Mehru, is also scaling up, with plans to increase capacity by 45% over the next few months at its Bhiwadi plant.

The new facility is expected to increase work force from currently ~800 in Sangli to a peak of 4,500 (in 3 shifts). The reactor capacity in Sangli is slated to jump by more than 16x from 2,880 MVAR in FY24 to more than 50,000 MVAR in FY27. It has also planned significant expansions in inputs such as fiberglass (5x), fabrication (3x), winding lines (14x) that would drive significant efficiency in execution. The company would also be hosting a 2,600kV AC testing facility to be completely powered by rooftop solar, thereby bringing in energy savings. The new facility has sufficient space (~1/4th of total) for a new manufacturing segment, which the company plans to venture into eventually.

QPOWER has earmarked a total capex of Rs 2.3bn for the new facility, to be funded by a mix of internal accruals and IPO funds.

Exhibit 34: Details of capacity expansion at Sangli

Capacity – Sangli	FY24	FY27	Increase
Finished product			
Coil products (MVAR)	2,880	>50,000	>16x
Transformer (MVA)	2,100	NA	NA
Composites (MT)	240	NA	NA
Inputs			
Fiber glass (MT)	NA	NA	5x
Fabrication (MT)	NA	NA	3x
Winding lines	4	55	14x
Test facility (kV AC)		**2,600**	

Source: Company, Systematix Institutional Research

Mehru acquisition enhances competitive position in Instrument Transformers

Mehru is the market leader in the domestic instrument transformer market. It specializes in oil-filled and dry-type instrument transformers (up to 500kV). Other key players, such as GE Vernova T&D, Siemens and Hitachi Energy command a combined ~40% share. It also has an established presence in the Middle Eastern and African markets, which could facilitate the company's entry into these markets for its other products. Also, Mehru's expertise in instrument transformers compliments QPOWER's existing offerings, giving it the opportunity to implement better integrated solutions across utility, industrial and power generation sectors.

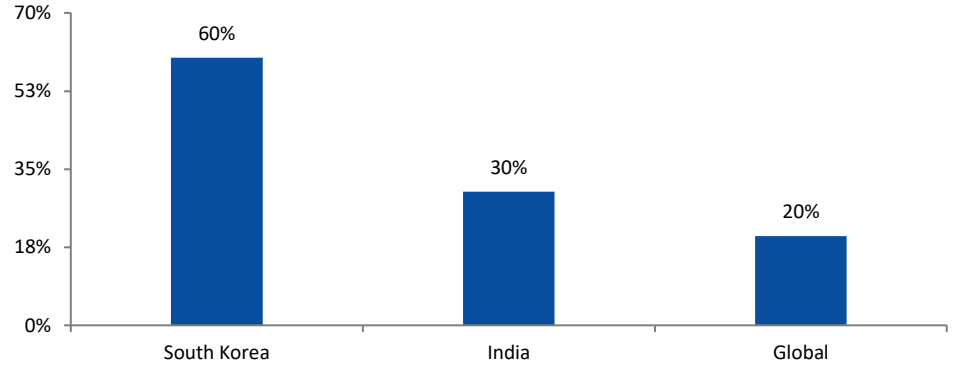
QPOWER acquired 51% stake in Mehru on 6 March 2025, obtaining control over the company for a total consideration of Rs 1.2bn (funded from IPO proceeds). The acquisition enhances the company's capabilities in instrument transformers of up to 400kV. Mehru has a work force of 1,100 and reported revenue of Rs 2.54bn in FY25, with EBITDA margin of 8.2%; the company is well positioned to cater to the rising demand for instrument transformers. Beyond operations, Mehru provides balance sheet strength, with its land parcel alone valued at Rs 1.25bn.

Entry into GIS segment with market leader Hyosung expands significant horizons

QPOWER has entered into a co-development agreement with Hyosung (a market leader in HV GIS) for gas insulated switchgear (GIS) instrument transformers. This provides QPOWER entry into the technology-intensive segment of GIS instrument transformers. With this, the company has significant opportunity to expand into GIS equipment space, not just with Hyosung, but with potentially other large players (ABB, Siemens, GE Vernova) as well.

There is a significant import substitution opportunity in GIS Instrument transformers. India imports ~Rs 3-3.5bn worth of GIS Instrument transformers. With the Hyosung partnership, QPOWER is well placed to scale this business in both domestic and export markets. In India, QPOWER will likely be the first to manufacture GIS instrument transformers. The global market for GIS Instrument transformers stands at ~Rs 40-50bn, with few players competing globally. Hyosung is the GIS market leader in India and globally with market share of 30% and 20% respectively.

Exhibit 35: Hyosung: Global Market leader in HV GIS



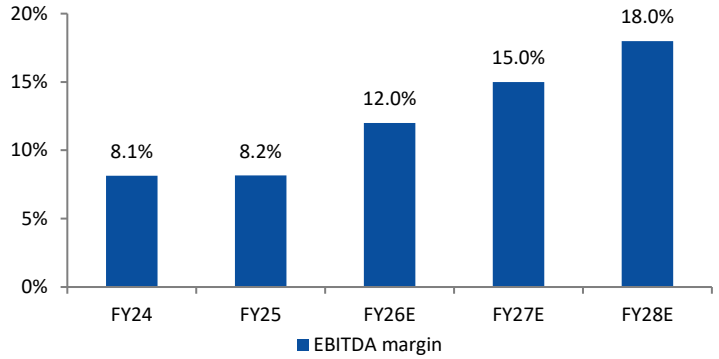
Source: Hyosung website, Systematix Institutional Research

GIS is a high margin segment (with PBT margin of 25-30%) and incremental revenue from this would boost the overall profitability of Mehru and QPOWER. Hence, there is likelihood of Mehru to surpass the guided margin of 15%.

Margin expansion expected to drive strong earnings growth at Mehru

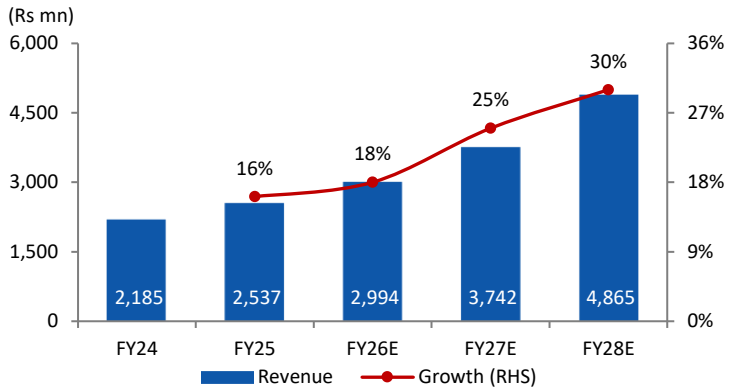
Mehru reported EBITDA margin of 8.2% in FY25, 9.5% in 1QFY26. The company sees significant scope in Mehru's margin improvement (guided for 15% after the full expansion) driven by improved mix and pricing power and entering into high margin segments such as GIS Instrument transformers. With an order book exceeding Rs 3.5bn and plans to scale plant capacity by 45%, Mehru strengthens the group's presence in HV instrument transformers (up to 500kV) - a niche segment with limited domestic competition and consistent replacement demand.

Exhibit 36: Mehru - Margin to expand >15% by FY28E



Source: Systematix Institutional Research

Exhibit 37: Revenue to double over FY25-28E



Source: Systematix Institutional Research

Other inorganic expansions to power capabilities and market access

QPOWER has completed ~6 acquisitions/investments in last 15 years adding significant adjacencies and entering new high-growth segments. Each acquisition/ investment has been carefully considered both in terms of its payback period and capabilities acquired, keeping synergies with existing businesses in mind (cross-selling opportunities for instance).

Endoks (51% stake, Turkey): QPOWER acquired 51% stake in Endoks, Turkey, which is focused on digital transformation of energy production, consumption and distribution. It specializes in FACTS and automation solutions serving renewables, steel plants and utilities. Endoks has strengthened QPOWER STATCOM and SVC capabilities, with the localization of select components underway. Endoks is actively bidding for 3–4 projects monthly, leveraging experience in utility grid integration.

S&S Transformers (100% stake, India): QPOWER's acquisition of S&S Transformers, Aluva, Kerala, helped the company in expanding into new product categories, which includes cast resin transformers and medium voltage instrument transformers (CT PT). The company has developed various ratings such as 11kV, 12kV in both oil immersed and dry type CT PT (Current Transformer, Potential Transformer). It has obtained approvals for these products from Central Power Research Institute (CPRI), Bangalore registered the products with several electricity boards, including the Kerala State Electricity Board.

Sukrut (JV, 50% stake, India): QPOWER's joint venture (JV) with Yash High Voltage to acquire Sukrut is aimed at strategically entering the transformer accessories market. Sukrut operates in a market with handful of peers in India and around 10 players globally. This limited competition creates a significant barrier to entry and a strong market position for its products. The Indian transformer accessories market is estimated at ~Rs 3-4bn, with the global market 10x larger at Rs 30bn. QPOWER is projected to garner ~1% of the total transformer value from Sukrut, which in itself is a sizable business. Key competitors in the domestic market, Viat Instruments, Yogya Enterprises, Precimeasure Control, operate on a PAT margin of 10-20%.

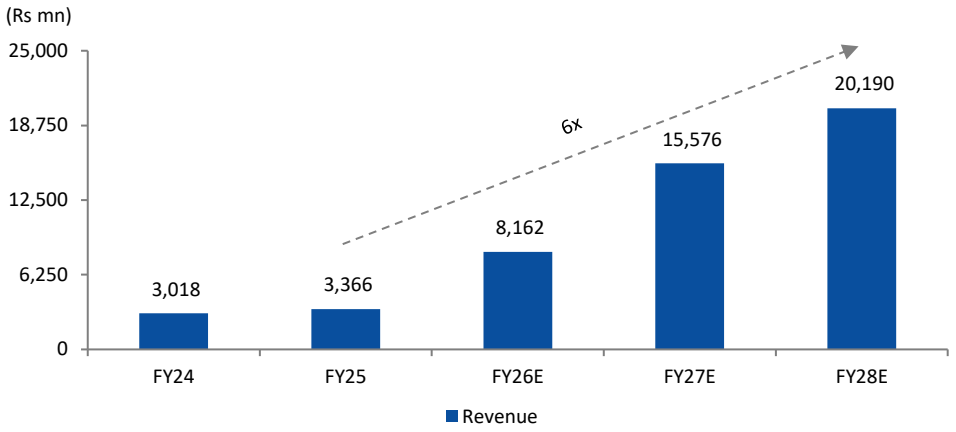
Leveraging strategic partnerships: The JV between QPOWER and Yash High Voltage have provides significant synergies, which include the former leveraging the latter's existing sales network for similar products, while QPOWER focuses on the product and manufacturing aspects of the business. The ultimate goal of this partnership is to use the Sukrut platform to consolidate more transformer component companies. This inorganic growth strategy is aimed at creating a larger and a dominant player in the transformer components market.

Nebeskie (26% stake, India): QPOWER's investment in Nebeskie, a technology company focused on Edge Automation and Edge Computing, is part of its forward-looking business strategy. Nebeskie's technology involves fitting small, IoT-connected computers on electrical devices, which are designed to learn from incoming and outgoing data and thereby develop machine learning and intelligence models in house. This technology is crucial in enabling high-voltage equipment to communicate and self-manage, while addressing cybersecurity concerns and ensuring operational resilience in the event of network shutdowns. The technology targets global demand by addressing skilled labor shortages in markets such as Australia and Germany, leveraging IoT to bridge the gap.

Financial Outlook

QPOWER reported consolidated revenue of Rs 3.37bn in FY25 with Power Products segment contributing 53% to revenue while exports contributed ~68%. We expect revenue to scale up to ~Rs 20bn (~6x of FY25 revenue) by FY28 driven by Mehru addition (~Rs 5bn in FY28 revenue) and significant organic expansion in coil products and transformers. The company expects a longer-term export revenue mix of 50% (vs 68% in FY25).

Exhibit 38: FY28E revenue to touch ~6x of FY25

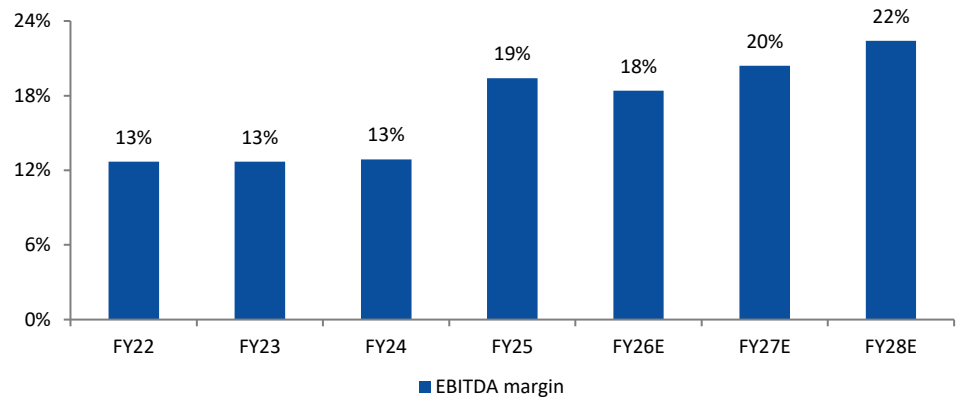


Source: Company, Systematix Institutional Research

EBITDA margin to rise to 22% in FY28 post capex-led dip in FY26

QPOWER saw its EBITDA margin expand sharply to 19% in FY25 led by significant improvement in gross margin. This was contributed by improved pricing power and mix. The company has further expanded its capabilities in HV Instrument Transformers with the acquisition of Mehru. Mehru's margin accretion is expected to be a key driver in QPOWER's overall margin improvement.

Exhibit 39: Mehru synergies and improved mix to drive EBITDA margin accretion

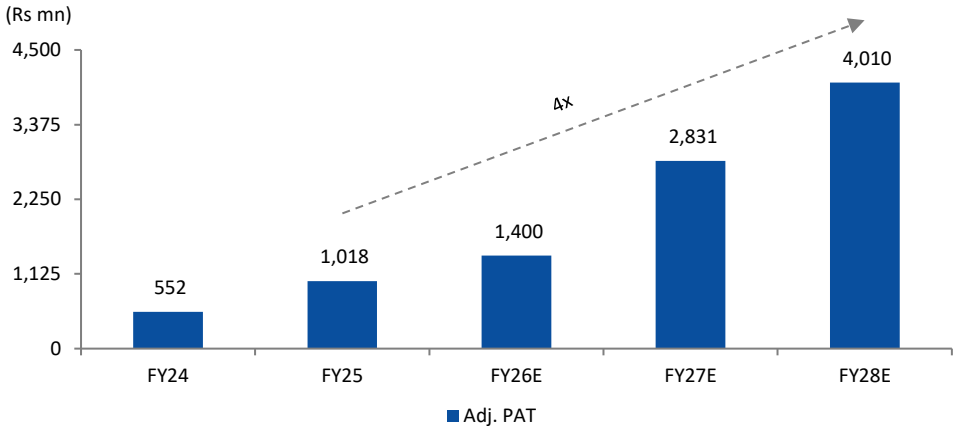


Source: Company, Systematix Institutional Research

FY28E PAT to quadruple over FY25-28 to Rs 4bn

Revenue growth and margin expansion are estimated to catapult FY28E PAT to ~Rs 4bn (4x FY25 PAT). We estimate lower other income during FY26-28E, not factoring in exceptional gains arising from Turkey hyperinflation gain, included in previous years.

Exhibit 40: FY28 PAT expected to reach ~4x of FY25

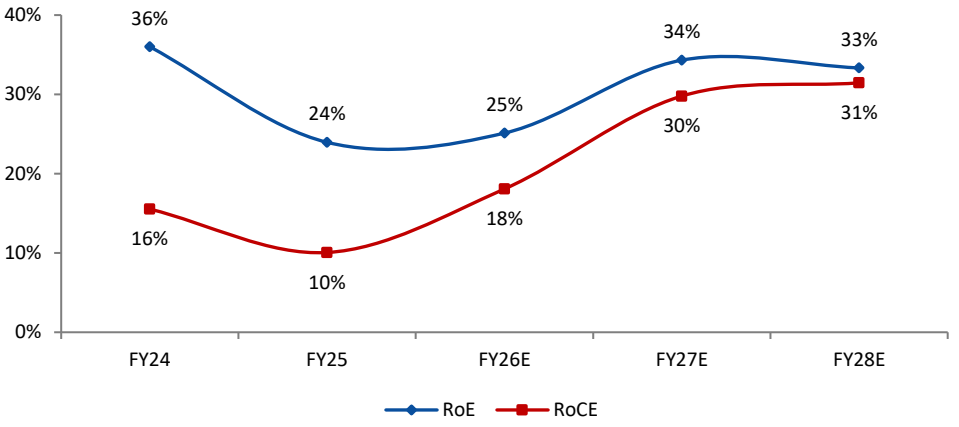


Source: Company, Systematix Institutional Research

RoE/RoCE to sustain at early thirties

QPOWER reported RoE/RoCE of 24%/10% in FY25 respectively. This comes on the back of significant increase in capital employed, led by the Mehru acquisition and organic capex at Sangli and Kochi facilities. With revenue scaling up starting FY26, RoE/RoCE could touch early thirties to sustain at ~33/37% level in in FY27E/28E, respectively. We expect working capital (WC) days to normalize (net WC days of 100 by FY28E) after a one-time boost from Mehru consolidation.

Exhibit 41: RoE/RoCE to sustain at early thirties



Source: Company, Systematix Institutional Research

Valuation & View

Quality Power (QPOWER) has positioned itself as a market leader in the key segments of the T&D equipment industry. Its products (such as reactors, STATCOM) cater to High Voltage Direct Current (HVDC), Flexible AC Transmission System (FACTS), Instrument Transformer and other HV/MV/LV equipment markets, supporting voltage capabilities up to 765kV AC and 800kV DC. Operating in a structurally attractive market characterized by high growth, supply shortages, and meaningful entry barriers, the company is well-placed for sustained, profitable scale-up. In addition, its recent entry into the GIS segment (partnership with global GIS leader Hyosung) positions it well to scale in both domestic and export markets for GIS equipment. QPOWER plans to organically expand capacity by 9x, 2x and 0.45x across its 3 facilities in India over next 2 years. Order book of Rs 7.75bn (at 1QFY26), comfort on demand runway, significant capacity expansion and margin accretion levers are expected to drive revenue by ~6x and PAT by ~4x over FY25-28E. We initiate BUY with a target price of Rs 1,550, based on 30x FY28E EPS of Rs 51.8.

Exhibit 42: Valuation

Adj. EPS (FY28E)	52
Target P/E (x)	30
Target Price	**1,550**
CMP	1,014
Potential Upside	**53%**

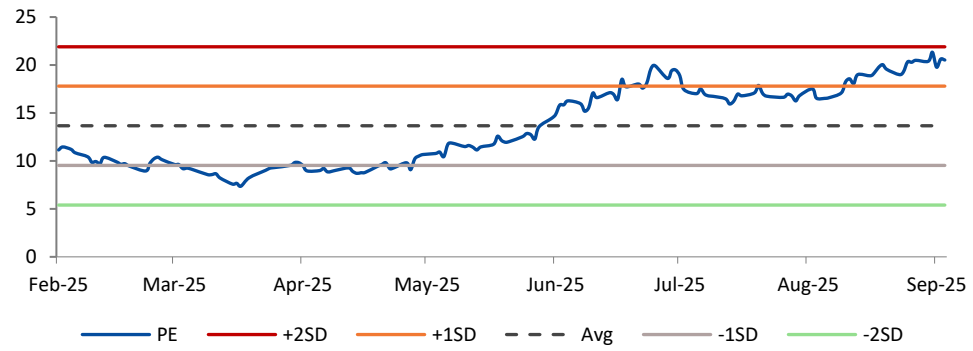
Source: Systematix Institutional Research

Exhibit 43: Peer Comparison provides valuation comfort

Company	Mkt Cap (Rs)	1-yr fwd P/E	1-yr fwd EV/EBITDA	1-yr fwd EV/Rev	1-yr fwd P/BV
Quality Power Electrical Equip	78	28	24	5	10
Hitachi Energy India Ltd	852	66	47	6	14
Siemens Energy India Ltd	1,250	85	64	13	23
GE Vernova T&D India Ltd	744	60	45	10	21
Thermax Ltd	381	39	24	3	6
Bharat Heavy Electricals Ltd	804	26	16	2	3
Xi'an Actionpower Electric Co	58	27	23	3	3
Senci Electric Machinery Co Lt	78	16	NA	2	3
Schneider Electric Infrastruct	200	43	31	5	16
CG Power		67	50	7	14
Mean	**494**	**46**	**36**	**6**	**11**
Median	**381**	**41**	**31**	**5**	**12**
QPOWER premium/(discount) to mean		**-39%**	**-33%**	**-11%**	**-15%**
QPOWER premium/(discount) to median		**-32%**	**-22%**	**-2%**	**-19%**

Source: Bloomberg, Systematix Institutional Research

Exhibit 44: 1-Yr forward P/E



Source: Bloomberg, Systematix Institutional Research

About the Company

QPOWER is an Indian multinational specializing in high-voltage (HV) electrical equipment and solutions for the global energy transition sector, leveraging over two decades of industry experience. It is one of the few global manufacturers of critical equipment for High-Voltage Direct Current (HVDC) and Flexible AC Transmission Systems (FACTS) networks, providing a comprehensive portfolio that includes reactors, transformers, instrument transformers, and advanced power quality solutions like Static Synchronous Compensator (STATCOM) and Static Var Compensator (SVC).

QPOWER's operations are strongly accredited, with its Sangli lab holding NABL certification for systems up to 765kV, and its facilities (in Sangli, Aluva, and its 51% Turkish subsidiary, Endoks) maintaining ISO 9001, 14001, and 45001 standards to meet the stringent requirements of its global clientele, including Fortune 500 companies. Strategically, the company has strengthened its capabilities through recent acquisitions, including a majority stake in Mehru Electrical and investment in Nebeskie Labs for AI/IoT development.

Operates through two key segments

The company primarily operates through two segments (1) Power Products and (2) Power Quality Equipment. While the Power Products segment contributed 53% to overall revenue in FY25, its Power Quality Products portfolio sits majorly in its Turkish subsidiary, Endoks, contributing the remaining ~47%. Acquisition of Mehru is expected to significantly boost QPOWER's Power Products revenue in FY26 and beyond.

Exhibit 45: QPOWER - Product capability

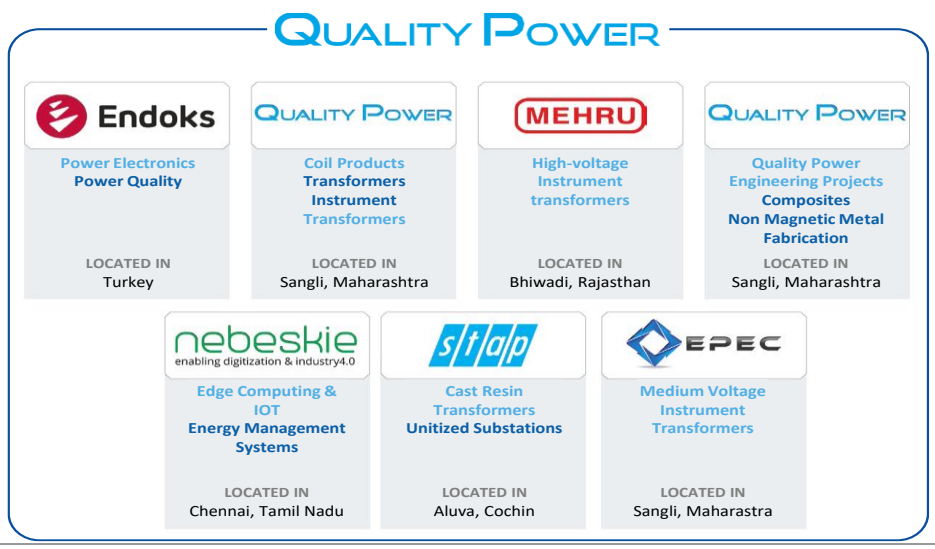
	Power Products			Power Quality Systems
	Reactor & Line traps	**Transformers**	**Instrument Transformers**	
Segments	Air Core Reactor Iron Core Reactor Oil Filled Reactor Wave Traps / Line Traps Line tuners	Custom Designed Earthing Transformers Inverter / Converter Duty Traction STATCOM Duty Arc Furnace Dry Type	Current Transformers Potential Transformers Discharge Coils Capacitive Voltage Transformers	Static VAR Compensators (SVC) STATCOM's Harmonic Filters Capacitor Banks Shunt Reactors
Description	Up to 765kV	Up to 170kV	Up to 500kV	Up to 230kV
Brand	Quality Power	Quality Power Stap	EPEC Mehru	Quality Power Endoks

Source: QP AR, Company, Systematix Institutional Research

Subsidiaries (Endoks and Mehru) contribute significantly to QPOWER's revenue

Endoks contributed ~50% to overall revenue in FY25 while Mehru is expected to contribute ~40% to revenue in FY26. QPOWER has executed acquisitions/ investments in last 15 years, adding significant adjacencies and entering new high-growth segments. The company's recent JV (Yash High Voltage) in Sukrut solidifies its position in the transformer accessory space.

Exhibit 46: QPOWER in a snapshot

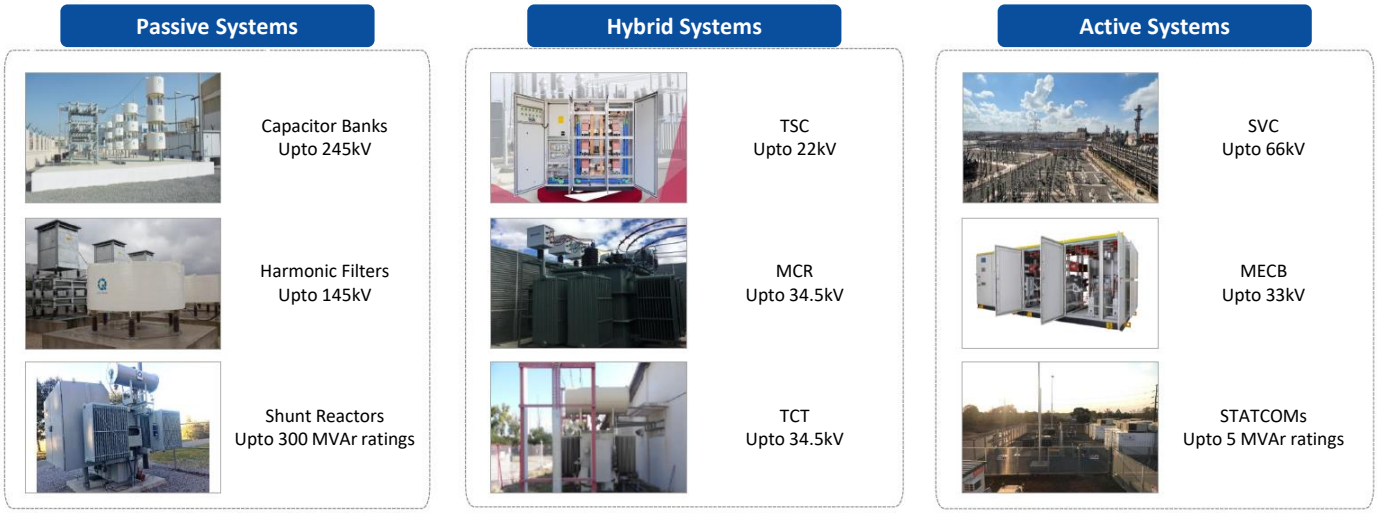


Source: Company, Systematix Institutional Research

Exhibit 47: Power Products portfolio

Source: Company, Systematix Institutional Research

Exhibit 48: Power Quality Systems portfolio



Source: Company, Systematix Institutional Research

Key Risks

- **Slowdown in T&D capex:** The company's business is closely linked to T&D capex, particularly in HVDC and FACTS projects. Any slowdown in capital expenditure (capex) could slow revenue ramp up.
- **Commodity price risk:** The company operates in the Transformers & Reactors business, which involves regular purchase of raw materials and manufacture of Finished Goods. Raw materials such as copper, aluminium, steel, insulation materials, resins, power electronic semi-conductors, etc., significantly impact the company's input costs, as its contracts are mostly fixed price in nature.

  Foreign currency risk: Exports contributed ~68% to revenue in FY25 and trade receivables and payables stood at ~USD 146mn and ~Euro 29mn of at end FY25. This exposes QPOWER to foreign currency risk. It also enters into various daily purchase contracts in an active market.
- **Tech obsolescence:** QPOWER operates in highly tech-intensive product categories. Emergence of alternative technologies or failure of its products to qualify the required technical testing could have a bearing on its business.
- **Supply chain risk:** India procures most of its solar cell and module requirements from China. This presents significant supply chain concentration risk and could slow down the execution of solar projects, thereby impacting T&D capex.

Exhibit 49: Management profile

Name	Designation	Background & Domain expertise
Mr. Thalavaidurai Pandyan	Chairman & Managing Director (Promoter)	Founder and pioneer in high-voltage technology. Holds a diploma in electrical engineering. Has 39+ years of experience in transformers and reactors and is known for pioneering India's first 400kv and 765kv dry type reactor technology.
Mr. Bharanidharan Pandyan	Joint Managing Director (Promoter)	Second-generation leader & strategist, with an MBA. Has 20+ years of experience in electrical machines and power systems; drives M&A deals, strategic growth, and greenfield expansions.
Ms. Chitra Pandyan	Whole-time Director (Promoter)	Focuses on administrative and welfare and has over 22 years of experience dedicated to administrative management, employee welfare, and corporate social responsibility (CSR) initiatives within the company.
Mr. Mahesh Vitthal Saralaya	Whole-time Director	High-power sales & marketing veteran. Holds a degree in electrical engineering and is a chartered engineer. Has over 37 years of experience and is focused on the marketing and sales of high-power electrical equipment.
Mr. Rajesh Jayaraman	Chief financial officer (CFO)	A finance, audit & compliance expert. He is a chartered accountant with over 33 years of experience in finance, accounts, audit, and legal compliance.
Mr. Deepak R. Suryavanshi	Company Secretary & Compliance Officer	A corporate governance specialist, he is an associate member of ICSI (company secretaries of India). He has nine years of experience in secretarial compliance and corporate law.
Mr. Rajendra Sheshadri Iyer	Independent Director	He has expertise in global power transmission and holds a degree in engineering. He has over 25 years of experience in power transmission and held senior roles at Hitachi, ABB, and GE corporate UK prior to joining QPOWER.
Mr. Shailesh Kumar Mishra	Independent Director	He is a veteran in India's power sector and holds a degree in electrical engineering (NIT). He has over 38 years of expertise in the Indian Power sector, which includes his position as a Director at Power Grid Corporation of India (PGCIL) and Solar Energy Corporation of India (SCI).

Source: Company, Systematix Institutional Research

FINANCIALS (CONSOLIDATED)

Profit & Loss Statement

YE: Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**3,018**	**3,366**	**8,162**	**15,576**	**20,190**
Growth		12%	142%	91%	30%
Total COGS	**2,005**	**2,006**	**4,701**	**8,972**	**11,630**
Gross margin	34%	40%	42%	42%	42%
Emp	303	337	980	1,714	2,020
Other exp	322	370	978	1,712	2,017
EBITDA	**389**	**653**	**1,502**	**3,178**	**4,524**
EBITDA Margin	13%	19%	18%	20%	22%
Dep	34	47	174	193	182
Fin cost	23	24	59	113	146
Other inc	298	557	300	300	300
Exceptionals	3	(16)	-	-	-
PBT bef exc	**630**	**1,139**	**1,569**	**3,173**	**4,495**
PBT reported	**633**	**1,123**	**1,569**	**3,173**	**4,495**
Tax (ETR)	**12%**	**11%**	**11%**	**11%**	**11%**
Adj. PAT	**552**	**1,018**	**1,400**	**2,831**	**4,010**
Reported PAT	**555**	**1,001**	**1,400**	**2,831**	**4,010**
Adj. EPS	**7.7**	**13.1**	**18.1**	**36.6**	**51.8**
Adj. EPS growth		72%	38%	102%	42%

Source: Company, Systematix Institutional Research

Balance Sheet

YE: Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net Fixed Assets	654	2,173	3,199	3,707	4,225
Capital WIP, Intangible Assets	23	223	223	223	223
Investments	16	28	28	28	28
Other non-current assets	571	225	225	225	225
Deferred tax assets	8	40	40	40	40
Current assets	**1,840**	**3,347**	**6,107**	**11,163**	**14,469**
Cash & bank balances	477	2,099	1,210	1,118	2,892
Current liabilities	**1,283**	**1,790**	**3,364**	**6,160**	**7,980**
Short-term debt	370	86	86	86	86
Capital deployed	**1,936**	**6,265**	**7,587**	**10,262**	**14,040**
Employment of capital					
Paid-up common stock	722	774	774	774	774
Reserves and surplus	810	3,469	4,792	7,467	11,245
Shareholders' funds	**1,532**	**4,244**	**5,566**	**8,242**	**12,020**
Long term debt	13	3	3	3	3
Minority Interest	371	1,693	1,693	1,693	1,693
Capital employed	**1,936**	**6,265**	**7,587**	**10,262**	**14,040**

Source: Company, Systematix Institutional Research

Cash Flow

YE: Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT	**633**	**1,123**	**1,569**	**3,173**	**4,495**
D&A	34	47	174	193	182
Fin exp.	23	24	59	113	146
Int. on FD	(209)	(355)	(300)	(300)	(300)
Cash gen. from ops	**608**	**724**	**317**	**919**	**3,038**
Less:- Income Taxes paid	92	100	169	342	485
Net cash from operations	**515**	**625**	**148**	**576**	**2,553**
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of PPE (inc. CWIP)	(357)	(159)	(1,200)	(700)	(700)
Inv. made/Sold	(169)	(1,043)	-	-	-
Interest Inc.	209	355	300	300	300
Net investing cash flow	**(386)**	**(927)**	**(900)**	**(400)**	**(400)**
CASH FLOW FROM FINANCING ACTIVITIES					
Issue of Capital	-	2,045	-	-	-
Net Repayment of LT & ST debt	(116)	-	-	-	-
Net Proceeds of ST debt	382	(298)	-	-	-
Net Proceeds of LT debt	11	(13)	-	-	-
Int. and Fin. Cost	(23)	(24)	(59)	(113)	(146)
Net financing cash flow	**254**	**1,710**	**(59)**	**(113)**	**(146)**
Net Inc/(Dec.) In Cash & Eq.	**(39)**	**1,336**	**(812)**	**64**	**2,006**
Cash & eq. (beg. of the year)	**512**	**473**	**474**	**475**	**476**
Cash & eq. (end of the year)	**473**	**1,809**	**(338)**	**539**	**2,482**

Source: Company, Systematix Institutional Research

Ratios

YE: Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	132.4	77.1	56.1	27.7	19.6
EV/EBITDA (x)	187.8	117.0	51.5	24.4	16.7
EV/sales (x)	24.2	22.7	9.5	5.0	3.7
P/B (x)	47.7	18.5	14.1	9.5	6.5
RoE (%)	36.0	24.0	25.1	34.3	33.4
RoCE (%)	15.5	10.1	18.1	29.8	31.5
RoIC (%)	21.7	24.2	26.7	36.9	42.0
DPS (Rs per share)	0	0	1	2	3
Dividend yield (%)	-	-	0.1	0.2	0.3
Dividend payout (%)	-	-	5.5	5.5	5.8
Net debt/equity (x)	(0.1)	(0.5)	(0.2)	(0.1)	(0.2)
Receivables (days)	96	149	100	100	100
Inventory (days)	43	185	150	130	130
Payables (days)	116	167	130	130	130
CFO:PAT (%)	93	61	11	20	64

Source: Company, Systematix Institutional Research

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