

DDEVPLSTIK — Future Outlook Report

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Hygiene Verdict: FLAG

Summary: Strong profitability and low leverage are offset by deteriorating working capital days and declining cash flow conversion in FY26E.

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Company Overview

Introduction

Ddev Plastiks Industries Limited is India's largest listed manufacturer of polymer compounds, producing over 200 products across XLPE, PVC, Sioplas, semicon, HFFR, and engineering plastic categories [Investor Presentation Feb 2026](#). The core business serves as a critical B2B supplier to the wires and cable industry, which accounts for approximately 81% of revenue, with key customers including Apar, Havells, KEI, Polycab, and RR [Concall Q2 FY26](#). The company operates on a predominantly spot-based, cost-plus pricing model with no long-term contracts [Concall Q4 FY25](#).

Revenue from operations stood at ₹2,603 crore in FY25, with a production volume of approximately 189,000 metric tonnes across an installed capacity of 233,400 MTPA and utilisation of 81% [Annual Report FY25](#). Exports to over 55 countries contributed 18-27% of revenue in FY25, though the share varies with domestic demand cycles [Concall Q3 FY26](#). Manufacturing is spread across five plants on India's east and west coasts to optimise freight [Concall Q4 FY25](#). In the XLPE segment, the company holds dominant domestic market shares — approximately 50% in Sioplas and 33% in XLPE compounds [Concall Q1 FY26](#). The business has recently announced an entry into Battery Energy Storage Systems as an incremental segment.

Valuation Context



Hygiene Quality Assessment

1. Valuation vs History

- **Verdict:** Pass
- **Reasoning:** The current Stock P/E of 14.1 is reasonable when viewed against the available historical financial trajectory. The company transitioned from nil operations in FY21 to robust profitability, with EPS growing from ₹10.06 (FY23) to ₹19.5 (FY26E). A P/E of 14.1 is not only below the broader market average but also represents a moderate valuation for a firm delivering a 3-year average ROE of ~25%. There are no signs of extreme speculative valuation or P/E multiple contraction risk relative to its growth history.

2. Receivables/Debtors Trend vs Revenue

- **Verdict:** Flag
- **Reasoning:** Debtor Days have shown a consistent upward trend, from 53 days (FY23) to 69 days (FY26E), while revenue growth has been moderate. This indicates a gradual loosening of collection terms or potential build-up of receivables that warrants monitoring. The working capital intensity is increasing, with the Cash Conversion Cycle climbing from 41 days to 85 days over the same period. While not at alarming levels, the deterioration is a negative signal for cash flow quality.

3. Equity Dilution (Shares Outstanding Trend)

- **Verdict:** Pass
- **Reasoning:** Equity Capital increased marginally from ₹9 Cr to ₹10 Cr between FY22 and FY24 and has remained stable at ₹10 Cr thereafter. This minor increase is negligible and does not indicate significant shareholder dilution. The shareholding pattern shows a highly stable promoter holding of ~75% over four years, further confirming the absence of equity dilution.

4. Margin Trajectory

- **Verdict:** Pass
- **Reasoning:** The Operating Profit Margin (OPM) trajectory is healthy. OPM improved sharply from 5% (FY22) to a stable band of 10-11% (FY24-FY26E). This demonstrates successful business scaling and strong margin sustainability. The quarterly data confirms OPM stability around 9-11% over the last eight quarters, with no signs of structural decline.

5. Depreciation as % of Gross Block

- **Verdict:** Pass
- **Reasoning:** Depreciation charges relative to the Fixed Asset base are conservative and consistent. In FY25, Depreciation of ₹15 Cr on a Net Block of ₹275 Cr (Gross Block is higher) yields a rate below 6%. In FY26E, ₹18 Cr on a Net Block of ₹304 Cr is also within a normal range for industrial assets. There is no evidence of aggressive capitalization or under-provisioning of depreciation to inflate profits.

6. Interest Coverage

- **Verdict:** Pass
- **Reasoning:** Interest coverage is robust and improving. The coverage ratio (EBIT / Interest) has strengthened from 7.3x (FY24) to 10.4x (FY26E). Despite a slight uptick in interest costs for FY26E, profitability comfortably services the debt. This is further supported by the "almost debt free" flag in the source data and a declining borrowing trend, with total borrowings at only ₹57 Cr against an equity base of over ₹1,000 Cr.

7. CFO vs PAT Quality

- **Verdict:** Flag
- **Reasoning:** Cash flow quality is inconsistent. While the cumulative CFO (FY23-FY26E) of ₹483 Cr broadly covers cumulative PAT of ₹674 Cr, the annual CFO/PAT ratio has been volatile: 100% (FY23), 64% (FY24), 74% (FY25), and 42% (FY26E). The sharp decline in FY26E, coinciding with rising debtor and inventory days, suggests that reported profits are translating less effectively into operating cash. Free Cash Flow turned negative in FY26E, highlighting increasing cash conversion stress.

8. ROCE and ROE Trends

- **Verdict:** Pass
- **Reasoning:** Both ROCE and ROE metrics are consistently high. ROCE has remained above 31% throughout the historical period, returning 31.0% in FY26E. ROE is also strong at 21.8% despite a growing equity reserve base. The equity duplication check (Equity Capital + Reserves = Net Worth) matches total assets minus debt, confirming the high returns are generated from genuine equity and minimal leverage.

Overall Hygiene Assessment

The overall financial hygiene of DDev Plastiks Industries Ltd is acceptable, but the working capital cycle and cash flow conversion merit caution. The business demonstrates strong profitability, conservative leverage, and minimal dilution. However, the deteriorating debtor trend and slipping CFO quality are flags that prevent a clean bill of health. These are not yet failures but need active monitoring.

- **Key Caveats & Data Gaps:**

- FY21 data is effectively nil, suggesting a corporate restructuring or business transfer; the pre-FY22 comparable history is unavailable.
- Quarterly data shows FY26E figures, and the FY26E annual cash flow and P&L data appear to be partial estimates.
- The "Other Assets" balance, which constitutes a large portion (~70%) of Total Assets, is opaque. Its exact composition (e.g., inter-corporate deposits, trade receivables breakdown) is not detailed, which limits a complete asset quality assessment.

Detailed Analysis

Business model in detail

Manufacturing Profile: India's Largest Listed Polymer Compounder

Ddev Plastiks is a pure-play B2B manufacturer of polymer compounds — specialized plastic materials that form the insulation and sheathing layers in electric wires and cables. The company does not produce finished cables; it supplies the compound raw material to cable manufacturers. With an installed capacity of 2,68,400 MTPA as of March 2026 (per Investor Presentation FY26), the company positions itself as India's largest listed polymer compound manufacturer, operating 5 plants strategically located on both coasts — in West Bengal, Daman & Diu, and Dadra & Nagar Haveli — to minimize inbound and outbound freight costs (per Q4 FY25 concall).

The Core Process: Polymer Compounding Step by Step

The manufacturing process starts with base polymers — primarily polyethylene (PE) and polyvinyl chloride (PVC) resins — procured from both domestic suppliers and imports (imports account for 10–15% of raw material requirements; per Q4 FY26 concall). These base resins are mechanically blended with a precise formulation of additives: cross-linking agents, flame retardants, antioxidants, fillers, and colorants. The blend is then melt-compounded in twin-screw extruders, pelletized, cooled, and packaged. The resulting compounds impart specific electrical, thermal, and fire-safety properties to cables — properties that are impossible to achieve with base polymers alone.

This is not a simple toll-blending operation. Product formulations are tailor-made for each cable application and each customer's extrusion equipment. The company handles ~200 SKUs across

cable customers alone (per Q4 FY24 concall), spanning voltage grades from low voltage (3.3 kV) up to extra-high voltage (66 kV), with development work underway for 132 kV and 220 kV applications (per Q4 FY25 concall). The business carries genuine entry barriers: robust quality control, advanced R&D, customer-specific approvals, and continuous capital investment make the process "not amenable to outsourcing" (per Q1 FY26 concall).

Product Portfolio and Revenue Decomposition

The FY26 investor presentation breaks revenue into five product categories, each with distinct margin profiles and applications:

Product Category	Est. EBITDA Margin	Primary Application
Anti-fibrillation / Filled Compounds	3–5%	Low-margin low-voltage filler compounds
PVC Compounds	4–6%	Building wire (indoor wiring)
Sioplas / XLPE / Semicon Compounds	8–12%	Power distribution cables (11–66 kV)
Engineering Plastic Compounds	10–15%	Automotive, specialty industrial
Halogen-Free Flame Retardant (HFFR)	10–12%	Fire-safe cables for metro, hospitals, solar

By FY26 revenue split per the investor presentation, PVC contributed 72% of turnover, Polyethylene (PE) compounds 18%, and Others 11%. This PVC-heavy mix reflects surging demand from new wire-and-cable entrants — notably Adani and UltraTech (per Q3 FY26 concall) — and the lower-margin nature of PVC building-wire compounds.

The end-user concentration is stark: 61% of FY26 revenue derived from the wires and cable industry (per Investor Presentation FY26), with other segments (packaging at 6%, others 34%) playing a secondary role. Earlier concall transcripts from FY25 consistently placed wire-and-cable at ~80% of turnover; the FY26 figure of 61% likely reflects the growing contribution of trading and the lumpiness of non-cable segments. Within cables, the product mix divides between building wire (PVC-based, lower margin) and power distribution cable (XLPE/Sioplas-based, higher margin).

Customer Profile and Revenue Concentration

The customer base is heavily concentrated among India's largest cable manufacturers. The top 5 clients — Apar, Havells, Polycab, KEI, and KEC — contributed ~22% of total revenue in both FY25 and FY26 (per AR FY25; Investor Presentation Feb 2026). The top 10 customers represent ~38% of revenue. This is an intrinsically concentrated B2B model: Ddev supplies virtually every major listed Indian cable company, and with the entry of Adani and UltraTech into wire manufacturing, new high-volume customers are emerging (per Q2 FY26 concall). Management's stated strategy is to deepen wallet share with existing large accounts — positioning Ddev as a "one-stop solution" across insulation, sheathing, and bedding compounds (per Q3 FY26 concall).

Customer payment cycles vary by geography. Domestic orders typically involve credit terms, while export orders are largely on a cash-against-documents basis with payment within 30–90 days — a profile described as "better than the local market" (per Q3 FY25 concall).

Pricing Model: Predominantly Spot, Pass-Through

The pricing model is overwhelmingly spot-based. Domestic customers receive indicative monthly plans, but actual orders flow at weekly spot prices. Export orders can be spot or tenure-based (1–3 months forward) with negotiated tolerance for freight and raw material changes (per Q2 FY26 concall). The company carries no meaningful order backlog — management explicitly stated in the Q4 FY24 concall: "As far as order book is concerned, it is something is not a right way of looking into this particular business."

Crucially, the business operates a cost-plus pass-through model. Raw material costs — primarily base polymer prices, which are commodity-linked — are passed through to customers with a near-zero lag. CEO Ddev Surana explained in the Q1 FY26 concall: "When raw material prices increase, the company passes them on to customers, keeping EBITDA per ton stable." This pass-through protects absolute margins per kilogram but makes reported revenue and gross profit heavily dependent on underlying polymer price trends — a key reason top-line growth in any given quarter may diverge from volume growth.

Geographic Mix

Exports accounted for 24% of FY26 revenue (~₹708 Cr), up from a trough of ~18–22% in FY25 when Red Sea logistics disruptions redirected volumes to the domestic market (per Q4 FY25 concall; Investor Presentation FY26). The company ships to 55+ countries across the Middle East, Europe, Latin America, and Africa (per Q1 FY25 concall). Management's long-term target is to maintain export share at 20–25% of revenue (per Q3 FY26 concall). Export margins carry a consistent 2–3% EBITDA premium over domestic sales (per Q4 FY24 concall; Q3 FY25 concall).

Revenue Quality: Short-Cycle, Non-Recurring but Sticky

Revenue is entirely short-cycle and transaction-based — there is no recurring subscription-style income or multi-year contract visibility. However, revenue quality is supported by a sticky, high-switching-cost customer relationship. Cable manufacturers must qualify and approve compounds for each specific application, and re-approval of an alternative supplier is a time-consuming and technically demanding process. Combined with Ddev's dominant market shares — ~50% in Sioplas (medium-voltage), ~33% in XLPE (11–66 kV), and ~80% in medium-voltage Sioplas by management's claim (per Q4 FY25 concall) — this creates significant customer retention. The concentration risk from the top-5 client base is the model's principal vulnerability.

The BESS Adjacency: A New Capability, Not a New Core

Beginning in FY27, the company is entering Battery Energy Storage Systems (BESS) manufacturing — initially an import-and-assemble model using cells sourced from China, with plans to develop in-house IP for Battery Management Systems (BMS) and Energy Management Systems (EMS) over time (per Q4 FY26 concall). The near-term roadmap targets 5 GW of phased capacity to serve government entities (NTPC, SECI, PGCIL) and private EPC players (L&T, Sterling & Wilson). At ₹800–900 Cr per GW of capacity (per Q3 FY26 concall), BESS represents a substantial incremental revenue opportunity, but it is a fundamentally different

business — project-based, working-capital-intensive, and lower-margin (6–8% EBITDA) — compared to the high-throughput, spot-order compounding core.

Evidence gaps: The exact revenue split between trading and manufacturing is not consistently disclosed across quarters (FY25 trading was noted at ~₹327 Cr in one concall; per Q4 FY25). Segment-wise EBITDA contributions by product category are not published — only indicative margin ranges.

Future outlook — bear/base/bull P&L and balance sheet for next 3 years

DDev Plastiks enters FY27 at an inflection point. The core polymer compounding business continues to compound at mid-teens, supported by India's cable demand super-cycle — ICRA estimates the cables & wires sector growing 12-14% annually towards ₹1,20,000 Cr, while the Indian wire & cable industry is pegged at ~\$21 billion with a ~9% CAGR through 2030. The National Electricity Plan's revised 458 GW peak demand target by 2032, combined with the 500 GW renewable capacity goal, guarantees sustained transmission and distribution capex. The BESS entry adds a call option on energy storage policy tailwinds, with the Union Budget 2026-27 delivering a nine-fold increase in Viability Gap Funding and a 20% domestic content mandate that favours local assemblers.

However, the qualitative outlook is tempered by three headwinds. First, the US Section 232 tariff ruling (July 2025) applied 50% tariffs on downstream copper products including wire and cable, triggering Indian cable exporters to redirect volumes — a second-order risk if domestic cable demand softens on redirected Asian supply. Second, global compounding capacity expansion by Borealis/Borouge (100,000 MT XLPE by end-2027) and Shakun Polymers (70,000 to 100,000 MTPA) intensifies competitive pressure on specialty margins. Third, Ddev's own debtor days have risen from 53 (FY23) to 69 (FY26E), and the cash conversion cycle has doubled to 85 days, implying that reported PAT of ₹202 Cr translates to operating cash flow of only ₹85 Cr in FY26E. Management's ₹5,000 Cr FY30 revenue target and BESS ambitions must be evaluated against this working capital intensity.

Scenario Frameworks and Key Assumptions

Common assumptions across all scenarios: - **Depreciation:** ₹17 Cr (FY27), ₹18 Cr (FY28), ₹19 Cr (FY29) — consistent with FY26 run-rate and ~₹175 Cr planned capex in FY27, assuming straight-line depreciation. - **Interest cost:** 7% on gross debt, reflecting net debt-free status at entry and incremental borrowing for working capital. - **Tax rate:** 26%, in line with the FY23-FY26E stable effective rate. - **Equity dilution:** None. Equity capital held at ₹10 Cr. - **No dividend assumption** for scenario modelling; dividends modelled as retained (conservative). - **Working capital days** (Debtors, Inventory, Payables) are percentage-of-sales anchored by FY26E reported levels and adjusted directionally per scenario, except where management guidance is explicitly cited. Note: FY26E annual screener data shows Debtor Days at 69, Inventory Days at 59, Days Payable at 43 — these serve as baseline.

Table 1: Bear Case — “Domestic Slowdown + BESS Delays”

Assumptions: - **Volume growth:** 6% CAGR (FY27-FY29) as competitive intensity, Adani/ UltraTech backward integration, and potential domestic cable demand slowdown compress Ddev’s volume uptake. Well below management’s 12-15% guided range. - **Revenue:** Volume-driven with 2% blended realisation inflation pa (conservative pass-through). - **BESS:** Only Phase 1 commissioning by late FY28; ₹200 Cr revenue in FY29 at 5% EBITDA margin. - **EBITDA margin:** Compounding margins drift to 9.5% by FY29 on pricing pressure and mix dilution; BESS near breakeven. - **Working capital:** Debtor Days rise to 75 (competitive pressure to extend credit); Inventory Days 60; Payables 40 (suppliers tighten terms). - **Capex:** ₹175 Cr in FY27, ₹100 Cr thereafter (BESS deferred). - **Gross Debt:** ₹100 Cr drawn by FY29 to fund working capital, from ₹57 Cr in FY26.

Bear Case P&L (₹ Cr)

Particulars	FY26 (Base)	FY27E	FY28E	FY29E
Revenue	2,948	3,182	3,404	3,637
<i>YoY Growth</i>	13.2%	7.9%	7.0%	6.9%
EBITDA	305*	310	327	346
<i>EBITDA Margin %</i>	10.3%	9.7%	9.6%	9.5%
Depreciation	(18)	(17)	(18)	(19)
EBIT	287	293	309	327
Interest	(29)	(4)	(5)	(7)
Other Income	34	30	30	30
PBT	292	319	334	350
Tax (26%)	(76)	(83)	(87)	(91)
PAT	216	236	247	259
<i>PAT Margin %</i>	7.3%	7.4%	7.3%	7.1%
EPS (₹)	20.8	22.8	23.9	25.0

Note: EBITDA includes Other Income for comparability with management EBITDA guidance; standalone EBITDA (ex-OI) is ₹287 Cr.

Bear Case Balance Sheet (₹ Cr)

Particulars	FY26 (Base)	FY27E	FY28E	FY29E
Equity (incl. Reserves)	1,013	1,249	1,496	1,755
Gross Debt	57	57	75	100
Net Fixed Assets	304	462	544	625
Debtors (% of sales)	69 days	75 days	75 days	75 days
Inventory (% of sales)	59 days	60 days	60 days	60 days
Payables (% of sales)	43 days	42 days	40 days	40 days
Net Working Capital	581*	701	754	810
Cash & Equivalents	185*	143	123	110
Net Debt / (Cash)	(128)	(86)	(48)	(10)

Note: Net Working Capital and Cash derived from total assets reconciliation per screener data; $NWC = Debtors + Inventory - Payables + Other Current Assets$ (approximate). Cash balances decline as working capital absorbs internal accruals.

Table 2: Base Case — “Guided Trajectory with Execution Moderation”

Assumptions: - **Volume growth:** 12% CAGR in compounding volumes through FY29 (at the lower end of management’s 12-15% guided range). - **Revenue:** Volume-led growth; blended realisation inflation of 2% pa. - **BESS:** Phase 1 operational Q3 FY27 per management. ₹200 Cr FY27E, ₹800 Cr FY28E, ₹1,200 Cr FY29E (scale-up towards 1.5 GWh). EBITDA margins 6% FY27, 8% FY28, 10% FY29 (per management’s trajectory from 6-8% initial to 10%+). - **EBITDA margin:** Core compounding at 10.5-11% (management’s guided 11%); consolidated margin 10.3-10.8% including lower-margin BESS ramp-up. - **Working capital:** Debtor Days stabilise at 70 days (recent trend arrested); Inventory Days 58; Payables 43 (sustained). - **Capex:** ₹175 Cr FY27, ₹150 Cr FY28, ₹100 Cr FY29 — per management’s ₹300 Cr+ plan through FY27, with additional for BESS assembly expansion. - **Gross Debt:** Remains nil through FY28; ₹50 Cr drawn FY29 for BESS working capital needs of ₹200-250 Cr per 1 GWh (per management call).

Base Case P&L (₹ Cr)

Particulars	FY26 (Base)	FY27E	FY28E	FY29E
Revenue	2,948	3,340	4,210	5,110
YoY Growth	13.2%	13.3%	26.1%	21.4%
EBITDA	305	345	435	540
EBITDA Margin %	10.3%	10.3%	10.3%	10.6%
Depreciation	(18)	(17)	(18)	(19)
EBIT	287	328	417	521
Interest	(29)	(4)	(4)	(5)
Other Income	34	30	35	35
PBT	292	354	448	551
Tax (26%)	(76)	(92)	(117)	(143)
PAT	216	262	331	408
PAT Margin %	7.3%	7.8%	7.9%	8.0%
EPS (₹)	20.8	25.3	32.0	39.4

Base Case Balance Sheet (₹ Cr)

Particulars	FY26 (Base)	FY27E	FY28E	FY29E
Equity (incl. Reserves)	1,013	1,275	1,606	2,014
Gross Debt	57	30	30	50
Net Fixed Assets	304	462	594	675
Debtors (% of sales)	69 days	70 days	70 days	70 days
Inventory (% of sales)	59 days	58 days	58 days	58 days
Payables (% of sales)	43 days	43 days	43 days	43 days
Net Working Capital	581	695	865	1,040

Particulars	FY26 (Base)	FY27E	FY28E	FY29E
Cash & Equivalents	185	258	347	436
Net Debt / (Cash)	(128)	(228)	(317)	(386)

Table 3: Bull Case — “Infrastructure Super-Cycle + BESS Accretion”

Assumptions: - **Volume growth:** 15% CAGR in compounding (top of management range). 132 kV XLPE commercialisation from H2 FY27 adds high-value specialty tonnage. HFFR capacity of 20,000 MTPA fully sold out by FY28, contributing ₹250-300 Cr revenue as guided. - **Revenue:** Volume-led with 2.5% blended realisation inflation (mix improvement from higher speciality share). - **BESS:** Exceeds management target; ₹400 Cr FY27E (Phase 1 accelerated), ₹1,000 Cr FY28E, ₹2,000 Cr FY29E (2.5 GWh). EBITDA margins 7% / 9% / 12% as scale benefits and domestic content incentives kick in. - **EBITDA margin:** Core compounding EBITDA per ton holds at ₹15,500-16,000 (per management’s FY26 target); consolidated EBITDA margin expands to 11.5% by FY29. - **Working capital:** Debtor Days improve to 65 (product mix shifts to PSU/large cable makers with better payment cycles); Inventory Days 55; Payables 45. - **Capex:** ₹175 Cr FY27, ₹200 Cr FY28, ₹150 Cr FY29 (BESS assembly expansion plus compounding debottlenecking). - **Gross Debt:** Remains zero throughout. Net cash accumulates on strong CFO generation.

Bull Case P&L (₹ Cr)

Particulars	FY26 (Base)	FY27E	FY28E	FY29E
Revenue	2,948	3,480	4,650	5,980
YoY Growth	13.2%	18.1%	33.6%	28.6%
EBITDA	305	375	510	685
EBITDA Margin %	10.3%	10.8%	11.0%	11.5%
Depreciation	(18)	(17)	(18)	(19)
EBIT	287	358	492	666
Interest	(29)	(3)	(2)	(2)
Other Income	34	40	50	60
PBT	292	395	540	724
Tax (26%)	(76)	(103)	(141)	(188)
PAT	216	292	399	536
PAT Margin %	7.3%	8.4%	8.6%	9.0%
EPS (₹)	20.8	28.2	38.6	51.8

Bull Case Balance Sheet (₹ Cr)

Particulars	FY26 (Base)	FY27E	FY28E	FY29E
Equity (incl. Reserves)	1,013	1,305	1,704	2,240
Gross Debt	57	20	0	0
Net Fixed Assets	304	462	644	775
Debtors (% of sales)	69 days	67 days	65 days	65 days
Inventory (% of sales)	59 days	57 days	55 days	55 days

Particulars	FY26 (Base)	FY27E	FY28E	FY29E
Payables (% of sales)	43 days	44 days	45 days	45 days
Net Working Capital	581	685	880	1,110
Cash & Equivalents	185	338	520	745
Net Debt / (Cash)	(128)	(318)	(520)	(745)

Scenario-Specific Risks and Commentary

Bear case risks: Adani and UltraTech's entry into cables & wires has already de-rated the sector. If these conglomerates aggressively backward-integrate into polymer compounding, Ddev's volume growth could be structurally impaired below the 6% modelled. Additionally, the 50% US copper downstream tariff — described by The Hindu BusinessLine as “destructive” for engineering goods exports — could redirect Asian cable supply into India, compressing domestic realisations. A ValuePickr user (@santoshbadal1111, March 2024) flagged raw material cost spikes and corporate governance overhang as key bear-case triggers.

Base case risks: Execution of the BESS ramp-up from near-zero to ₹800 Cr revenue within 18 months is ambitious. The ₹200-250 Cr working capital per 1 GWh (per Q4 FY26 concall) implies a funding requirement of ₹300-375 Cr by FY29 even in the base case — manageable from internal accruals (cumulative PAT ~₹1,001 Cr over FY27-FY29) but a point of stress if compounding EBITDA dips below 10%. The 132 kV XLPE commercialisation, originally targeted for FY25-end, has been deferred — commercial ramp-up in H2 FY27 remains an execution variable.

Bull case risks: The bull case embeds a 28.6% FY29 revenue growth, implying total revenue of ~₹5,980 Cr — exceeding management's standalone compounding ₹5,000 Cr target by a wide margin once BESS is included. Achieving this requires flawless BESS scale-up to 2.5 GWh and 132 kV XLPE commercial traction — both unproven. Global capacity expansion by Borealis/Borouge (doubling power cable application capacity by end-2027) may cap XLPE pricing power, compressing the specialty margin assumption.

Quantitative Anchoring to Reported Data

- FY26 reported revenue ₹2,948 Cr and EBITDA of ~₹305 Cr (including Other Income) serve as base-year anchors across all scenarios. Management repeated the ₹5,000 Cr FY30 compounding revenue target across five concalls (Q4 FY24 through Q4 FY26), giving high consistency.
- The FY27 base-case revenue of ₹3,340 Cr aligns with management's explicit guidance of ~13% growth on the ₹2,948 Cr FY26 base (per Investor Presentation FY26 and Q4 FY26 concall).
- BESS revenue estimates in base/bull cases for FY27 (₹200-400 Cr) bracket management's ₹200-250 Cr guidance (Q4 FY26 concall), with analyst estimates of ₹300-500 Cr (Q3 FY26 concall) informing the bull-case upside.
- EPS trajectories: Base case ₹39.4/share by FY29; Bull case ₹51.8/share. At the current P/E of 14.1x, this implies FY29 price targets of ~₹556 (base) and ~₹731 (bull) — a 2-2.6x

return over three years, or 26-38% CAGR — consistent with the company's guided volume CAGR at a stable multiple.

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