Pick of the Week

Goldiam International Ltd

Riding the Lab-Grown Diamond Wave

August 16th, 2026

Goldiam International Ltd

HDFC securities

Reco BUY

Industry	Gems & Jewellery
LTP (Aug 14, 2026)	366
Entry Range	363-373
Add on Dips	325-335
Base Case Target	403
Bull Case Target	434
Time Horizon	4 Quarters

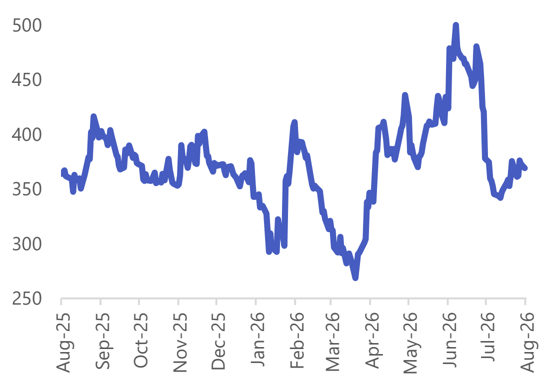
Stock Info

BSE Code	526729
NSE Code	GOLDIAM
Bloomberg	GLDM:IN
Equity Capital (Rs Cr)	22.6
Face Value (Rs)	2
Equity Share O/S (Cr)	14.7
Market Cap (Rs Cr)	5,518
Book Value (Rs)	73.4
Avg. 52 Wk Volumes	8,87,722
52 Week High	398
52 Week Low	199

Share Holding Pattern (%) (Jun'26)

Promoters	58.5
Institutions	2.2
Non-Institutions	39.3
Total	100.0

One Year Price Chart



* Refer at the end for explanation on Risk Ratings

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Stellar Q1; US-casting model brings Tariff immunity, ORIGEM scale up on track

Goldiam International Ltd (Goldiam) is a leading integrated manufacturer and exporter of diamond-studded jewellery, with a strong presence in the US market. The company operates an end-to-end manufacturing platform spanning the sourcing of diamonds and precious metals, jewellery design, manufacturing, and distribution, enabling it to offer a broad range of products across bridal, fashion, and everyday jewellery. Its customer base includes several leading US retailers, providing Goldiam with strong access to the world's largest jewellery market.

Goldiam reported a stellar quarter in Q1FY27 with revenue growth coming in at 41.9% YoY led by steady demand in the US in the post-tariff duty environment and increasing penetration in the non-US geographies. Lab-grown diamonds now contributed ~91% (88% Q1FY26) to total exports, with in-store lab-grown contributing 75% of total exports. Overall online sales contributed 19.3% to FY27 revenue. The company's order book remains robust at Rs 225 cr as of June 30, 2026, to be executed over the next 3-4 months.

Goldiam's EBITDA margin (ex-other income) expanded by 241 bps YoY, witnessing a structural shift as the US-based production (casting) business model takes effect, as guided by management in previous quarters. Other income included a one-off tariff refund of ~Rs 22 cr. PAT grew by 120.1% YoY

The context for this outperformance is critical to understand. Between August and November 2025, the US imposed a 56% tariff on Indian jewellery exports — a 50% reciprocal tariff plus the existing 5.5% import duty — which materially disrupted H1FY26 export flows and contributed to margin compression through that period. The subsequent India-US trade framework (early 2026) reduced the jewellery tariff from 50% to 18%, and more importantly for Goldiam, the company's US-origin casting model — whereby Goldiam buys gold in the US, does the first stage of production (casting) in the US, and then imports the semi-finished product into India for finishing — means its jewellery is classified as US-origin goods, carrying zero import duty on re-entry to the US. This SEZ-plus-US-casting structure makes Goldiam is structurally tariff-immune, a competitive advantage not available to most Indian jewellery exporters.

ORIGEM, Goldiam's domestic retail presence in the lab-grown diamond market, continues to scale up well. The company now has 26 operational stores, contributing ~Rs 8 cr in quarterly revenue run rate, and the company has already signed 7 new stores, expected to open over the next couple of months. Goldiam is leveraging its strength, being the vendor of choice for global jewellery retailers, to bring high-quality design and manufacturing to ORIGEM. Overall, we remain constructive on the company's operating outlook, supported by healthy orders from US retailers, increasing penetration in non-US geographies and steady scale-up of ORIGEM.

We has issued a Pick of the Week Report (link) on Goldiam on July 21, 2025 and both our targets were achieved within the investment time frame. We believe investors can buy the stock in the Rs 363-373 band (19.5x FY29E EPS) and add on dips in the Rs 325-335 band (17.5x FY29E EPS) for a base case fair value of Rs 403 (21.5x FY29E EPS) and bull case fair value of Rs 434 (23.0x FY29E EPS) over the next 4 quarters.

Our Take

Demonstrated trajectory of Stellar Growth and Margin Expansion

Goldiam International has demonstrated a strong and sustained growth trajectory over the past few years, with revenues increasing from Rs 603 cr in FY24 to Rs 977 cr in FY26, representing 27% CAGR over the last 2 years. The momentum has continued into Q1FY27, with the company reporting a stellar 41.9% YoY top-line growth. The company's strong growth has been supported by robust demand from its US retail customers, increasing adoption of lab-grown diamond jewellery and deeper relationships with leading global retailers.

Importantly, this growth has been accompanied by margin expansion amid a challenging external environment marred by tariff shocks and supply chain disruptions from the West Asia war. Goldiam's EBITDA margin has improved from 32.2% in FY24 to 33.6% in FY26.

Going forward, management targets double-digit consolidated revenue growth in FY27, despite a high base in FY26. Management expects further margin improvement in FY27, led by the US-origin/hybrid casting model. The company has indicated that the model can provide approximately 200–300 bps of gross-margin benefit on a full-year basis.

PRIME RESEARCH

The SEZ + US-Origin Casting Model: A Structural Moat That Is Now Fully Tested

The August 2025 tariff shock, when US tariffs on Indian jewellery jumped to 56%, was the most severe stress test on Goldiam's business model in recent history. The company navigated through its US-origin casting structure, developed well before any tariff risk was apparent, which means the company's jewellery enters the US at zero import duty regardless of the bilateral tariff regime. No competitor without this structure can claim the same protection. As the India-US trade deal further reduced the headline jewellery tariff from 50% to 18%, even Goldiam's non-US-cast products gain a relative cost advantage versus peers in countries without a comparable trade arrangement.

The B2C Opportunity has a Vast Runway for Growth

ORIGEM, Goldiam's domestic lab-grown diamond jewellery retail brand, operated 26 stores across 13 cities as of Q1FY27, contributing Rs 8.2 crore in revenue. ORIGEM is currently loss-making at the segment level, but the management expects it to break even at the operating profit level over the next 6 months as brand awareness, store-level economics, and average transaction value all continue to improve. As ORIGEM achieves scale, the fixed-cost absorption will materially improve, meaningfully adding to growth and profitability, going forward.

Valuation & Recommendation

Goldiam has maintained sustained growth momentum, reporting consistent double-digit revenue growth over the last 7 quarters. The company has successfully navigated a challenging tariff environment over the past year, and the post-tariff demand environment in the US remains constructive. Goldiam's US-origin casting business model effectively makes it immune to any future tariff-related uncertainties.

The share of lab-grown diamonds in Goldiam's total export revenue has grown significantly over the past 2 years from 68.4% in Q1FY25 to 91% in Q1FY27. The company's order book has grown from Rs 150 cr to Rs 225 cr, during this period. ORIGEM scale-up remains on track, with 26 operational stores contributing ~Rs 8 cr in revenue in Q1FY27, and store-level metrics expected to improve from here on.

We believe investors can buy the stock in the Rs 363-373 band (19.5x FY29E EPS) and add on dips in the Rs 325-335 band (17.5x FY29E EPS) for a base case fair value of Rs 403 (21.5x FY29E EPS) and bull case fair value of Rs 434 (23.0x FY29E EPS) over the next 4 quarters.

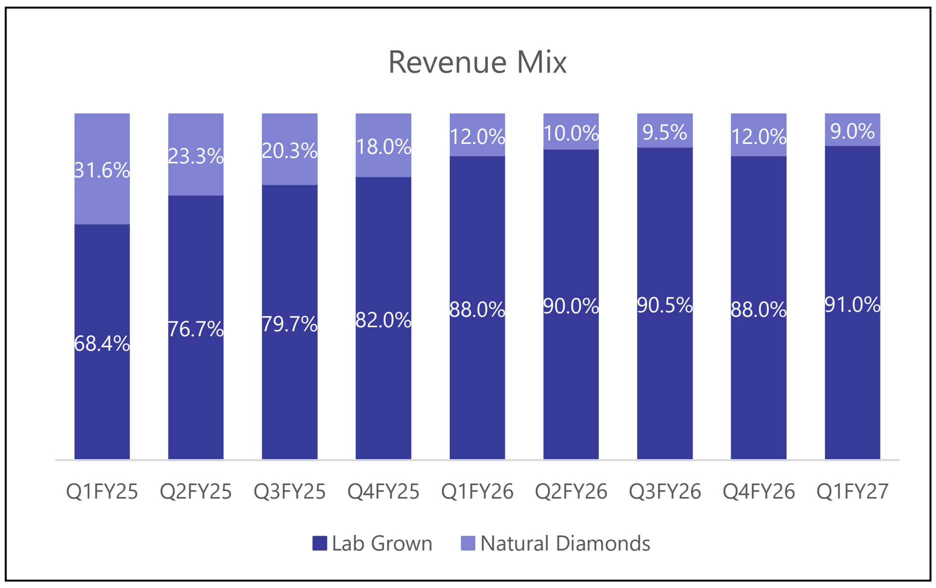
Financial Summary

Particulars (in Rs Cr)	Q1FY27	Q1FY26	YoY-%	Q4FY26	QoQ-%	FY24	FY25	FY26	FY27E	FY28E	FY29E
Operating Income	326	230	41.9%	235	39.0%	603	781	977	1,182	1,363	1,538
EBITDA	66	41	61.0%	50	33.8%	114	163	204	249	295	340
APAT	74	34	120.1%	37	98.7%	91	117	171	206	242	278
Diluted EPS (Rs)	4.9	2.4	107.9%	2.5	98.5%	6.3	8.2	11.6	14.0	16.4	18.9
RoE-%						15.0	17.1	18.5	17.3	17.5	17.4
P/E (x)						57.7	44.4	31.6	26.1	22.3	19.4
EV/EBITDA (x)						43.8	31.0	24.0	19.1	15.7	13.0

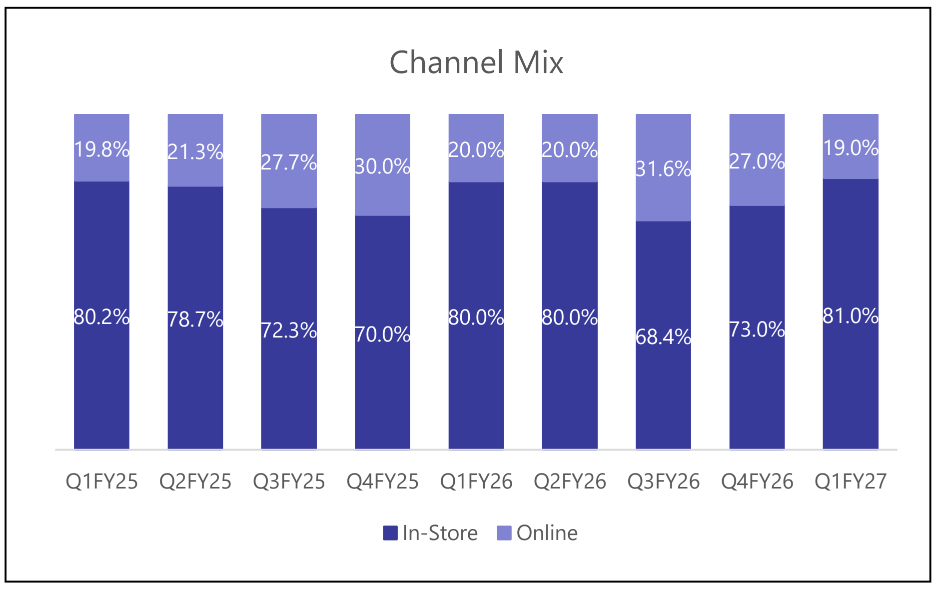
(Source: Company, HDFC sec)

Story in Charts

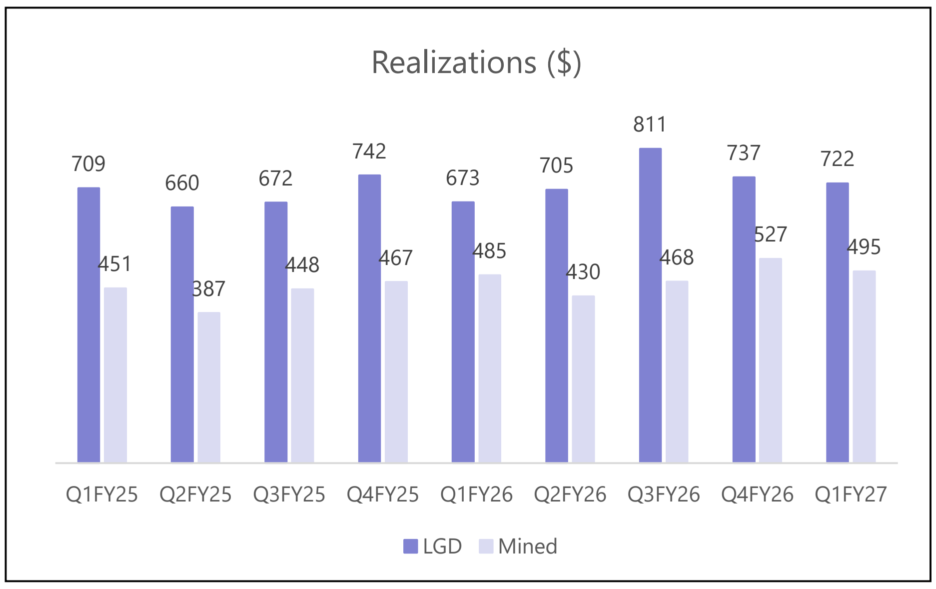
Lab-grown diamonds has become the dominant revenue driver



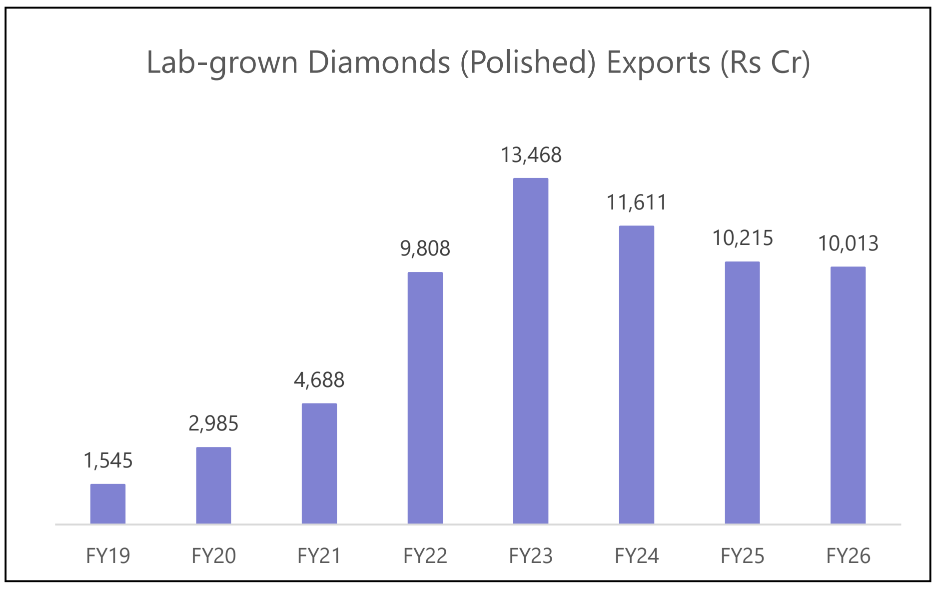
In-store purchases continue to be the mainstay in channel-mix



LGD Realizations continue to remain stable in recent quarters



Polished LGD exports have grown at 30.6% CAGR between FY19-26



(Source: Company, HDFC sec)

Key Concall Highlights

- Goldiam's Q1FY27 growth was driven by: (a) increased presence with existing customers in the US with launch of new products and (b) improved customer traction beyond US, especially in geographies like Middle East, Israel etc. where the company expects to report double-digit growth in upcoming quarters.
- Goldiam witnessed traction with select customers, for its bracelets and necklaces category, launched in the latter half of the previous quarter
- Other income included a one-off tariff refund of Rs 22 cr, the rest was from foreign exchange gains.
- Even after removing the impact of one-off tariff refund, margins have structurally grown on account of Goldiam's dual and hybrid casting method, where the company is casting in the U.S., delivering U.S. product of origin as a key supply chain solution for Goldiam's customers while also not bearing the brunt of changing tariffs regardless of what they are, making it essentially immune to tariffs.
- Steady-state EBITDA margin, adjusting for tariff refund (including forex gains), expanded by more than 400 basis points to 24%.
- Lab-grown demand all over America is picking up very strongly over natural diamonds, and Goldiam remains a clear beneficiary for the same.
- For Q1FY27, ORIGEM recorded a total revenue of Rs 8.2 cr across its 26 operational stores. The management aims to open 7 new ORIGEM stores prior to Diwali 2026.
- ORIGEM operational loss stood at ~Rs 5-6 cr during the quarter, expected to break even over the next 6 months.
- During Q1FY27, Goldiam introduced lab-grown diamond jewellery in 9-karat gold and introduced an old gold exchange scheme across all ORIGEM stores.

Key Rationale

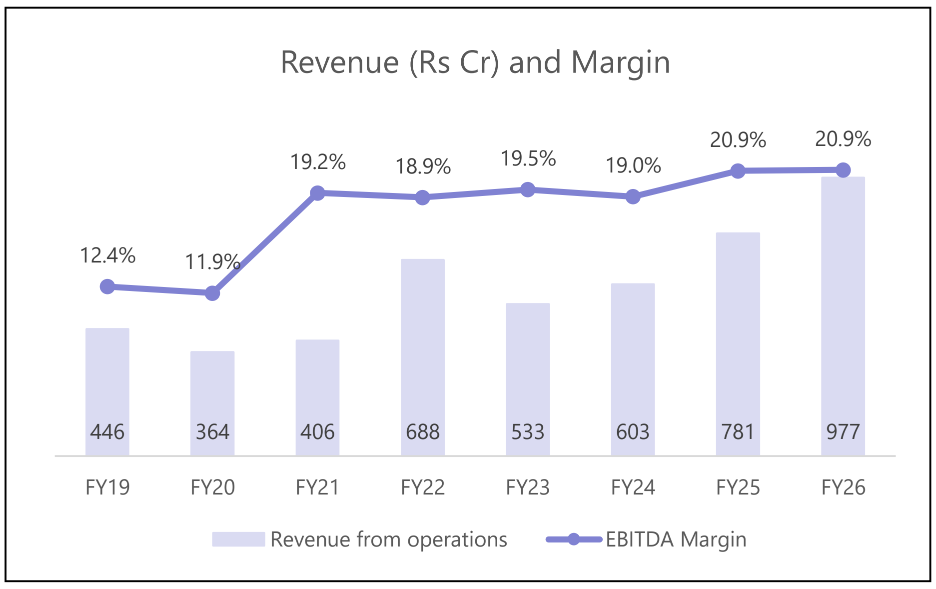
Fully integrated B2B jewellery exporter

A fully integrated OEM exporter of diamond jewellery

- Goldiam is one of the largest fully backward-integrated diamond jewellery exporters in India, with operations across the US, Europe and Hong Kong. The company has curated the entire process of jewellery making in-house, ensuring faster turnaround and an efficient product development cycle. The company's designers sketch by hand, finely balancing carat weight and setting style to set design trends.
- These designs are further enhanced by CAD technology to give realistic 3d visualizations with parallel commercial workings. This also enables Goldiam to offer a high level of customisation for its retail partners. The company is well diversified across sales mix, geographical mix and channel mix. Its sourcing network extends from Australia to Belgium and it has developed the 4C parameters for procurement - Cut, Clarity, Colour and Carat.
- Since its pivot to lab-grown diamonds or LGDs, the company has acquired a majority stake of 88% in Eco-Friendly Diamonds LLP (EDL), which is engaged in growing and manufacturing lab-created diamonds via the 'Chemical Vapour Deposition' (CVD) method. This has further enhanced the company's ability to grow its raw materials at competitive prices in the higher margin LGD business, resulting in better profitability and return ratios. The company's optimal sourcing capabilities, especially in the LGD segment has resulted in improvement in its Gross Profit Margin from 25.0% in FY20 to 32.2% in FY24 and further to 33.6% in FY26.
- Being a fully integrated player has given the company an edge in raw material sourcing, development of multiple designs and customisation for retailers not only in terms of SKUs but also in terms of packaging, branding and positioning. The company claims to deliver an order to shelf within 6 weeks and to create special designs within 10 working days.
- Goldiam's moat lies in its ability to deliver products with a short development cycle and faster turnaround, a key element for its merchandising partners.

Successfully scaled up in Lab grown diamonds

Preferred vendor for major jewellery retailers across US



(Source: Company, HDFC sec.)

Transition from a pure natural diamond company to a major supplier of Lab Grown Diamond Jewellery

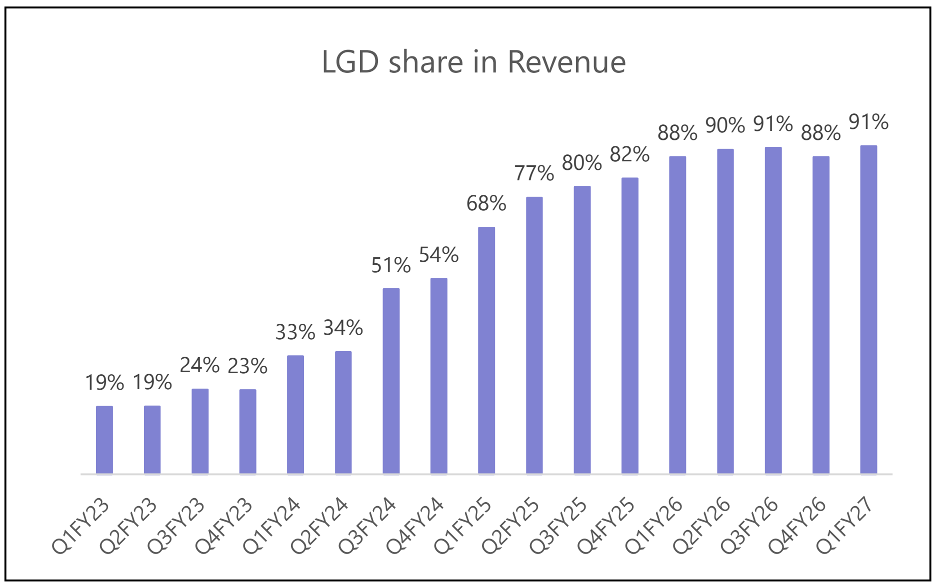
Increasing penetration of LGDs – where Goldiam has pivoted over the last few years

- Started out as an exporter of cut and polished natural diamonds and of plain and studded gold jewellery, the company has capitalized on the recent boom in the lab grown diamonds in the US jewellery market. Lab-grown diamonds have become one of the major alternatives, especially in the vast wedding ring market.
- In 2025 and into H1 2026, lab-grown diamonds captured roughly 42% to 45% of total U.S. diamond jewellery sales by value and an even higher 48% to 61% share by volume (unit sales) within the critical engagement ring market, driven by heavy consumer trade-ups to larger stones
- The lab-grown diamond market is pegged to grow at 7.8% CAGR between FY24-34, capturing market share from its natural or mined diamond counterpart in the upcoming years. LGDs also known as

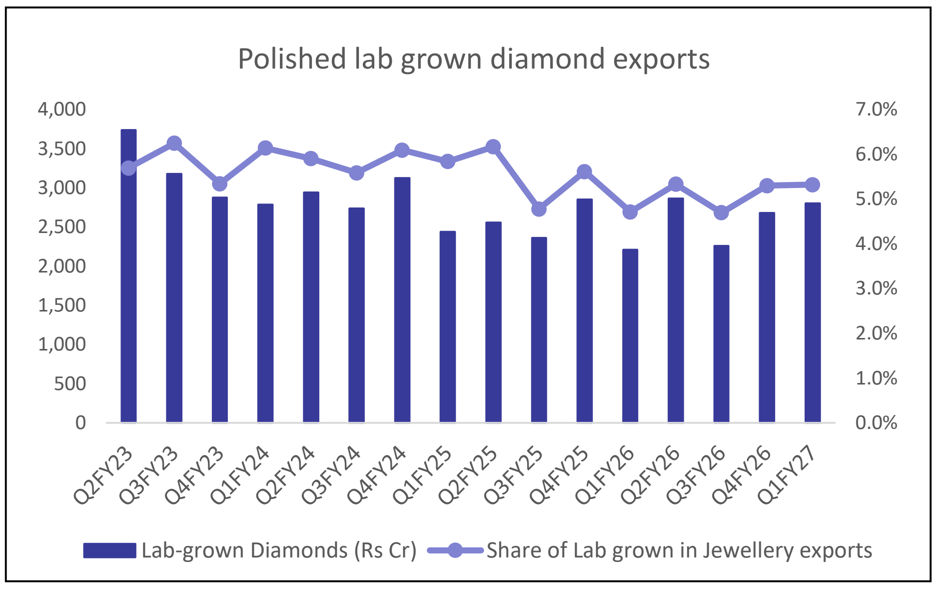
CVDs are equally appealing yet more cost-effective compared to natural, mined diamonds, and are becoming increasingly popular in international markets.

- Due to their affordability, high quality, and customizable nature, CVD lab-grown diamonds are an attractive alternative for consumers. Exports of polished lab-grown diamonds has grown at a staggering 30.6% CAGR between FY19-26.
- LGD's share in Goldiam's revenue stood at 91% in Q1FY27 as compared to 88% in Q1FY26 and 68% in Q1FY25, signifying the company's successful pivot towards LGDs. Revenue has grown from Rs 166 cr in Q1FY25 to Rs 230 cr in Q1FY26 and Rs 326 cr in Q1FY27, further signalling strong growth momentum even as the share of LGDs has increased.
- The company is increasing looking to strengthen its presence in LGDs in non-US geographies while sustaining B2B market share gains in the US. Goldiam has also successfully penetrated the domestic retail LGD market through its brand ORIGEM.

Goldiam has shifted its focus to the higher yielding lab grown diamonds



Headroom for growth in the fast growing LGD exports



(Source: Company, HDFC sec.)

Pivot to omni-channel model from an in-store jewellery company

Increasing share of online channel resulting in improved return ratios

- Goldiam has developed itself as a design-led manufacturer and exporter of diamond jewellery, where it creates all its designs in-house, showcases the same to its customers and delivers the designed, in-house-created jewellery, both for its stores as well as its online websites.
- While traditionally, the company has designed solely for the retailer's brick-and-mortar stores, it has pivoted by designing specifically for their e-commerce websites as well. The online channel now contributed ~26% of the company's revenue in FY26 and this share has been rapidly rising.
- A higher share of the online channel also contributes to increased efficiency in terms of inventory management and payment terms, resulting in improved ROCEs.
- While in-store still contributed the majority chunk, 75-80% of the company's revenue, Goldiam aims to steadily increase the share of the online channel going forward.
- Within its own brand as well, i.e. ORIGEM, it plans to launch its products on its own website as well, along with the brick-and-mortar store openings.

Capturing India's lab-grown opportunity through ORIGEM

- Goldiam has significantly accelerated the expansion of ORIGEM, its India-focused lab-grown diamond jewellery retail brand. The store network doubled from January 2026 to 26 operational stores across 13 cities, with another 7-8 stores planned by Diwali 2026.
- ORIGEM generated ~Rs 8 crore of quarterly revenue in Q1FY27, indicating a sharp ramp-up from the Rs 5.6 crore revenue recorded in Q4FY26. With the brand moving beyond the pilot phase, improving store productivity should become an increasingly important driver of growth.
- The lab-grown diamond jewellery category remains at a nascent stage in India, accounting for only a low-single-digit share of studded jewellery, but is growing rapidly. This provides ORIGEM with a

sizeable runway as consumer awareness improves and lab-grown diamonds gain acceptance as an affordable, aspirational alternative.

- Goldiam's integrated manufacturing capabilities, sourcing relationships and experience in lab-grown diamond jewellery can give ORIGEM an advantage on product availability, design, pricing and gross margins. The parent company also supports ORIGEM's inventory funding, with Goldiam's backing enabling deferred payment for gold used in jewellery production.
- Management expects the ORIGEM store fleet to reach breakeven in roughly the next six months on average. Store-level breakeven is currently estimated at around Rs 17–19 lakh of monthly revenue, while mature stores are targeted to reach Rs 35–45 lakh of monthly sales over two to three years.
- ORIGEM can evolve from an initial investment phase into a meaningful domestic growth engine, diversifying Goldiam beyond its established B2B export business. A scaled retail network would also strengthen brand visibility, create direct consumer relationships, and allow Goldiam to capture a larger share of the jewellery value chain—potentially adding both revenue growth and a higher-value, consumer-facing business to the company's portfolio.

US-Origin Casting - A Structural Shield Against Tariff Risks

- Goldiam responded to the sharp increase in US tariffs on India in FY26 by adopting a dual-production model, wherein raw gold is cast into unfinished jewellery pieces in the US through its US subsidiary, before being sent to India for polishing, finishing and diamond setting. The finished pieces are then re-exported to the US.
- The US casting structure allows the jewellery to qualify for favourable treatment under applicable US Customs rules. Goldiam's model effectively avoids the elevated tariff burden on the gold component, with duty applying primarily to the incremental value addition undertaken outside the US. A US Customs ruling on Goldiam USA's ring manufacturing process provides regulatory support for the structure.
- While the model entails additional casting and logistics costs, management indicated that these costs are substantially offset by the tariff savings. Goldiam has also been able to pass on part of the incremental cost through modest price increases to customers, which management said have been accepted. This creates scope for margin protection and potentially better gross/EBITDA margins as the model scales.
- Rather than passing the full tariff impact to US retailers or disrupting supplies, Goldiam has been able to continue serving its key customers through the hybrid manufacturing setup. Importantly, the company has maintained relatively short lead times despite the additional movement between the US and India, limiting the operational impact of the transition.
- The dual-casting model requires a US presence, local supplier relationships, regulatory know-how and the ability to coordinate manufacturing across two geographies. Management believes this complexity is increasingly favouring larger, organised suppliers while smaller players may struggle to replicate the model. This could support market-share consolidation and strengthen Goldiam's position with large US retailers.
- Goldiam's ability to rapidly redesign its supply chain demonstrates the flexibility of its integrated manufacturing platform. With the US remaining its key export market, the casting strategy provides a structural hedge against tariff uncertainty, protects customer economics and enhances Goldiam's positioning as a reliable supplier—potentially supporting sustainable B2B growth and margins even in a volatile trade environment.

Risks & Concerns

- The volatility in gold prices exposes the Company to bullion risk, as gold forms approximately 30% to 50% of the cost of the finished product.
- Dependence on any geographic location makes the Company's business in that region vulnerable to the economic slowdown therein. While USA continues to be a prime export destination, contributing ~90% to its revenue.
- Though India plays a dominant role in the Gems & Jewellery industry in terms of processing and consumption, mining of gold and diamond is amongst the lowest in the world. India imports gold and rough diamonds along with other precious metals

- With increasing competitive intensity in the industry, LGD prices may continue to remain under pressure. While Goldiam benefits from lower input costs for LGD stones, sustained price deflation could compress retail selling prices and reduce revenue realisations.
- Rapid ORIGEM store additions risk diluting management bandwidth, increasing working capital requirements for inventory, and creating execution inconsistency in store-level customer experience.
- The B2C segment remains loss-making, and any slowdown in same-store sales momentum or unit economics deterioration would extend the path to profitability and drag on consolidated margins through FY27.

Company Description

Goldiam International is a leading integrated manufacturer and exporter of diamond-studded jewellery, with a strong presence in the US market. The company operates an end-to-end manufacturing platform spanning the sourcing of diamonds and precious metals, jewellery design, manufacturing, and distribution, enabling it to offer a broad range of products across bridal, fashion, and everyday jewellery. Its customer base includes several leading US retailers, providing Goldiam with strong access to the world's largest jewellery market.

Goldiam has increasingly focused on strengthening its capabilities across both manufacturing and consumer-facing businesses. In addition to its established B2B export franchise, the company is scaling ORIGEM, its lab-grown diamond jewellery retail brand in India, creating an opportunity to participate in the country's rapidly expanding organised jewellery and lab-grown diamond market. At the same time, Goldiam has developed a US-origin casting model to mitigate tariff-related risks and enhance the resilience of its export business. These initiatives, combined with its integrated manufacturing capabilities and long-standing relationships with global retailers, position Goldiam to benefit from growth in both the US jewellery market and India's emerging lab-grown diamond retail opportunity.

Financial Statements

Income Statement

Particulars (in Rs Cr)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	**603**	**781**	**977**	**1,182**	**1,363**	**1,538**
Growth (%)	***13.1***	***29.5***	***25.1***	***21.0***	***15.4***	***12.8***
Operating Expenses	489	618	773	933	1,069	1,198
EBITDA	**114**	**163**	**204**	**249**	**295**	**340**
Growth (%)	*10.1*	*42.4*	*25.5*	*22.1*	*18.1*	*15.4*
EBITDA Margin (%)	***19.0***	***20.9***	***20.9***	***21.1***	***21.6***	***22.1***
Depreciation	6	9	15	17	19	20
Other Income	14	20	44	47	50	54
EBIT	**122**	**173**	**234**	**280**	**326**	**373**
Interest expenses	0	1	3	4	3	2
PBT	**122**	**173**	**231**	**276**	**323**	**372**
Tax	31	55	60	69	81	94
PAT	**91**	**117**	**171**	**206**	**242**	**278**
Share of Asso./Minority Int.	0	0	0	0	0	0
Adj. PAT	**91**	**117**	**171**	**206**	**242**	**278**
Growth (%)	**7**	**29**	**46**	**21**	**17**	**15**
EPS	6.3	8.2	11.6	14.0	16.4	18.9

Balance Sheet

Particulars (in Rs Cr) - As at March	FY24	FY25	FY26	FY27E	FY28E	FY29E
SOURCE OF FUNDS						
Share Capital	21	21	23	23	23	23
Reserves	609	719	1,083	1,260	1,465	1,692
Shareholders' Funds	**630**	**740**	**1,106**	**1,283**	**1,488**	**1,714**
Minority Interest	5	5	5	5	5	5
Total Debt	5	27	77	47	32	17
Other Non-Curr. Liab	0	0	0	0	0	0
Net Deferred Taxes	3	7	8	8	8	8
Total Sources of Funds	**643**	**779**	**1,197**	**1,343**	**1,533**	**1,745**
APPLICATION OF FUNDS						
Net Block & Goodwill	45	60	93	93	89	84
CWIP	0	0	0	0	0	0
Investments	168	106	182	232	282	332
Other Non-Curr. Assets	7	3	13	16	19	21
Total Non-Current Assets	**221**	**170**	**289**	**342**	**391**	**438**
Inventories	223	388	583	583	635	674
Debtors	143	150	174	211	243	274
Cash & Equivalents	145	182	306	379	462	582
Other Current Assets	4	3	11	13	15	17
Total Current Assets	**514**	**724**	**1,074**	**1,186**	**1,355**	**1,547**
Creditors	67	74	107	113	131	147
Other Current Liab & Provisions	24	41	59	71	82	92
Total Current Liabilities	**91**	**115**	**166**	**184**	**213**	**240**
Net Current Assets	423	609	908	1,001	1,143	1,307
Total Application of Funds	**643**	**779**	**1,197**	**1,343**	**1,533**	**1,745**

HDFC securities

Cash Flow Statement

Particulars (in Rs Cr)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Reported PBT	122	172	231	276	323	372
Non-operating & EO items	-6	2	5	-3	-2	-2
Interest Expenses	0	0	3	4	3	2
Depreciation	6	9	15	17	19	20
Working Capital Change	17	-156	-162	-20	-58	-45
Tax Paid	-32	-38	-68	-69	-81	-94
OPERATING CASH FLOW (a)	**107**	**-10**	**24**	**204**	**203**	**253**
Capex	-4	-7	-15	-18	-15	-15
Free Cash Flow	103	-18	8	187	188	238
Investments	-26	70	-63	-50	-50	-50
Non-operating income	2	1	7	0	0	0
INVESTING CASH FLOW (b)	**-28**	**63**	**-71**	**-68**	**-65**	**-65**
Debt Issuance / (Repaid)	0	6	17	-30	-15	-15
Interest Expenses	0	0	-1	-4	-3	-2
FCFE	79	59	-31	103	120	171
Share Capital Issuance	-33	0	198	0	0	0
Dividend	-13	-21	-42	-29	-37	-52
Others	-8	0	0	0	0	0
FINANCING CASH FLOW (c)	**-54**	**-16**	**171**	**-64**	**-55**	**-68**
NET CASH FLOW (a+b+c)	**26**	**37**	**124**	**73**	**83**	**119**

Key Ratios

Particulars	FY24	FY25	FY26	FY27E	FY28E	FY29E
Profitability Ratios (%)						
EBITDA Margin	19.0	20.9	20.9	21.1	21.6	22.1
EBIT Margin	20.3	22.2	24.0	23.7	23.9	24.3
APAT Margin	15.1	15.0	17.5	17.4	17.7	18.1
RoE	15.0	17.1	18.5	17.3	17.5	17.4
RoCE	20.0	24.7	24.0	22.3	22.9	23.0
Solvency Ratio (x)						
Net Debt/EBITDA	-1.2	-1.0	-1.1	-1.3	-1.5	-1.7
Net D/E	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3
PER SHARE DATA (Rs)						
EPS	6.3	8.2	11.6	14.0	16.4	18.9
CEPS	6.8	8.9	12.6	15.1	17.7	20.2
BV	44.0	52.0	75.0	87.0	100.9	116.3
Dividend	1.2	1.0	1.0	2.0	2.5	3.5
Turnover Ratios (days)						
Debtor days	88	68	61	59	61	61
Inventory days	143	143	182	180	163	155
Creditors days	48	33	34	34	33	33
Valuation (X)						
P/E	57.7	44.4	31.6	26.1	22.3	19.4
P/BV	8.3	7.0	4.9	4.2	3.6	3.1
EV/EBITDA	43.8	31.0	24.0	19.1	15.7	13.0
EV / Revenues	8.3	6.5	5.0	4.0	3.4	2.9
Dividend Yield (%)	0.3	0.3	0.3	0.5	0.7	1.0
Dividend Payout (%)	18.9	12.2	8.6	14.3	15.2	18.6

(Source: Company, HDFC sec.)

HDFC Sec Prime Research Rating description

Rating Criteria
Buy - > 15%+ return potential
Add - +5% to +15% return potential
Reduce - -10% to +5% return potential
Sell - >10% downside return potential

Disclosure:
I, **Darshil Shah,** Research Analyst, **(CA, MBA),** author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.
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