

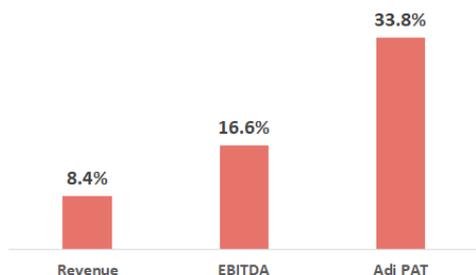
# GMM Pfau



### Institutional Research

30<sup>th</sup> Oct 2025

#### Sector – Capital Goods Sector Outlook - Positive



Recommendation	BUY
CMP (₹)	1233
Price Target (₹)	2,146
Upside (%)	74%
52 Week H / L ₹	1416/953
BSE 30	84,997

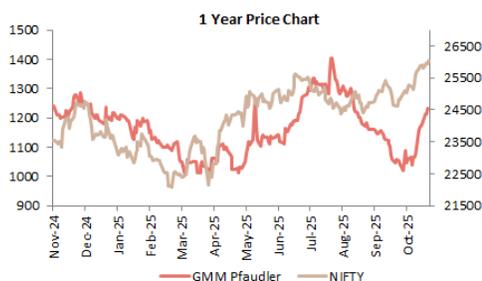
#### Key Data

No. of Shares, mn.	45.0
Mcap, ₹ mn	55,432
Mcap, USD mn @ ₹ 88.2	628
2 W Avg Qty (BSE+NSE)	1,98,335

#### Shareholding, Sep' 25

Promoters	25.2
FII	20.8
DII	16.2
Public & Others	37.9

Performance	1 M	3 M	6 M	12 M
Stock Return %	17.6	-3.8	15.0	-9.4
Relative Return %	11.9	-8.7	7.9	-15.9



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GMM Pfaudler ("the company" or "GMM"), with 50% market share in Glass-lined equipment industry in the USA and India, 40% in Europe, and 20% in China, dominates globally in large vessels, holding a near-monopoly. Its 19 facilities across the 4 major continents ensure tariff resilience and flexibility, while 8 integrated brands drive cross-selling. A ₹19 bn order backlog, including a ₹3.3 bn European contract, signals strong outlook going ahead, in our view. Through acquisitions of mixing and heavy engineering segments, the company is well on its way to reduce its traditional cyclical exposure (non-GLE segments now contribute 31% of revenue) from ~85% to 60%. High-growth areas include mixing (\$100 mn target at 17–18% CAGR), heavy engineering (>₹5 bn at 14–16% margins). We view the company is primed for a ₹1 tn equipment opportunity from chemical and pharma capex revival, aided by onshoring and the US Biosecure Act. As we estimate, (1) Cost reduction initiatives through Poland JV, (2) non-GLE margin uplift, and (3) India exports, will remain the tailwinds for a target 200-250 bps expansion over FY25-FY28E. **We estimate 8.4%/16.2%/33.2% CAGR in Revenue/EBITDA/PAT over FY25-FY28E. We view positively the current transition of the company which will rerate the stock from hereon. Assigning 40x (tad discount to historical x) to our FY28E EPS ₹53.7, we value the stock at ₹2,146. We recommend BUY.**

**Near Monopoly in large vessels, strong clientele base; ₹19 bn orderbook providing strong visibility:** It has a near monopoly in the large vessel segment, with a handful of incumbents, and has long-standing relationships with over 70% of its top customers for over 2 decades. Its facilities span across the Americas (6), Europe (9), and Asia (4), providing them with strategic flexibility and tariff resilience. The company's fully integrated operations, having 8 complementary brands with cross-selling potential, and a diversified product portfolio, enhance operating leverage. With an order backlog of ₹19,060 mn and a recent ₹3,300 mn European order for acid recovery systems, growth momentum remains robust.

**20% reduction in cyclical GLE segment (5% CAGR); non-GLE is the growth engine (15% CAGR):** The company is actively transforming its business model to reduce reliance on glass-lined equipment (GLE), lowering exposure to cyclical chemical and pharmaceutical industries to ~60% of total sales. The non-GLE segment now contributes ~31% of consolidated revenue and spans industrial mixing, heavy engineering, filtration, drying, sealing, and semiconductor equipment. Strategic acquisitions, including Mixel, MixPro, and SEMCO, HDO accelerate global expansion and market access. The mixing business is targeted to cross \$100mn at 17–18% CAGR, heavy engineering revenue potential exceeds ₹5 bn with 14–16% EBITDA margins, and Edlon semiconductor technology (~₹2 bn revenue) benefits from high-purity demand. This diversification strengthens long-term growth and resilience across multiple high-potential industries.

**Well-placed to benefit from an estimated global addressable equipment opportunity of ₹1 tn over 3-4 years; capex revival in pharma and chemical, and exploring newer industries:** A multi-year capex revival in the chemical, pharmaceutical, and biopharma sectors, driven by onshoring, geopolitical shifts, and high-value manufacturing, is creating robust demand for critical process equipment. GMM Pfaudler's glass-lined and non-GLE solutions, along with strategic acquisitions like SEMCO, position it to capture significant orders. Capex announcements by industry players exceed ₹22 tn. GMM is well-placed to benefit from an estimated ₹1 tn addressable equipment opportunity over the next 3-4 years. Strong order intake in the last 2 quarters indicates early signs of a rebound in the market, along with expected medium-term impetus from the implementation of the US Biosecure Act.

**Strategic Cost Efficiency Initiatives to Boost OPM Margins by ~240 bps over the next 3 years:** With the following initiatives to improve the operating margins strategically. 1) shifting production to a low-cost Poland JV for ~30% cost saving, 2) Expanding share of high-margin non-GLE segments enhances blended margins, and 3) operational streamlining and leveraging India's cost advantage for exports further support profitability expansion.

Financials	Revenues	EBIDTA	PAT	A-EPS	P/E	EV/EBIDTA	RoAE
	₹ mn	₹ mn	₹ mn	₹	x	x	%
FY24	34,465	4,758	1,755	39.0	31.6	12.5	18.2%
FY25	31,987	3,611	1,006	22.4	55.1	16.4	9.8%
FY26E	34,359	4,314	1,267	28.2	43.7	13.7	11.1%
FY27E	36,949	4,887	1,667	37.1	33.3	12.1	12.8%
FY28E	40,779	5,718	2,412	53.7	23.0	10.4	15.8%

Source: Company, Sunidhi Research



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## Investment Rationale

The company has 19 manufacturing facilities across the globe and 8 brands in its portfolio.

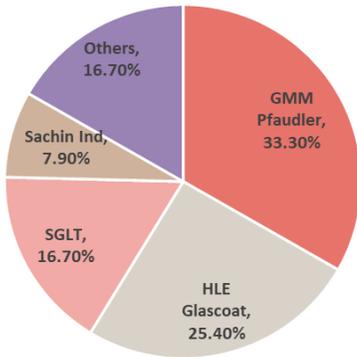
### Near Monopoly in large vessels, strong clientele base; ₹19 bn orderbook providing strong visibility:

GMM Pfaudler (“the company”) has been a market leader in the glass-lining equipment (“GLE”) segment with over 50% market share globally and strongly benefits from in-house technical capabilities and superior product quality. After the acquisition of Pfaudler, the company has been able to increase its global reach and access newer geographies through manufacturing facilities spread across the world. The company’s dominance stems from its deep technical expertise, 130-year legacy through Pfaudler, and robust customer relationships (with over 70% of top clients associated for over two decades).

The company is fully integrated and possesses cross-selling opportunities, which provide it with potential for better operating leverage. It has presence across the Americas, Europe, and Asia with 19 operational facilities, 8 brands with a marquee customer base, and over 2,000 employees globally. With 4 manufacturing facilities in the USA, 9 in Europe, 2 in India, 2 in China, 1 in China, and 1 in Brazil, the company is resilient against the tariff situation since the orders can be catered through the most favorable location. The company has also formed a joint venture with a Poland-based LLC, specializing in the manufacturing of stainless-steel equipment for the pharmaceutical and food industries.

The current outstanding order backlog of the company as of Jun’25 is ₹19,060 mn. The June’25 quarter saw a ~13% YoY rise in order intake (₹10,040 mn vs ₹8,820 mn YoY), showing signs of reversal and indicating a healthy order intake in upcoming quarters as well. Most of the company’s orders are short-cycle orders, executable within 6-8 months. Additionally, the company has recently won a large-sized order of ~₹3,300 mn (€33.2 mn) from a European-based customer for acid recovery equipment and systems. This order win bolsters the company’s stance of a strong uptick in order intake in the upcoming quarters.

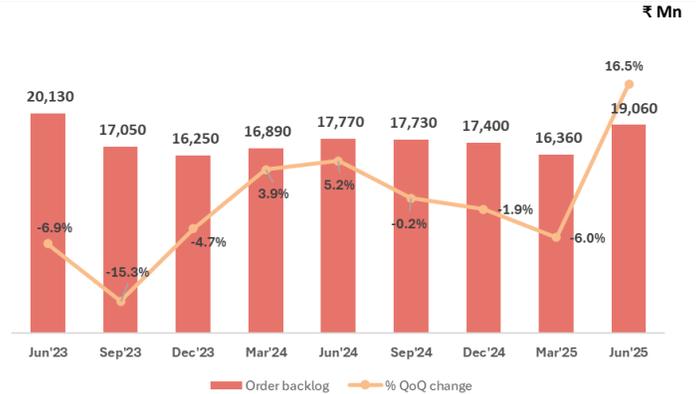
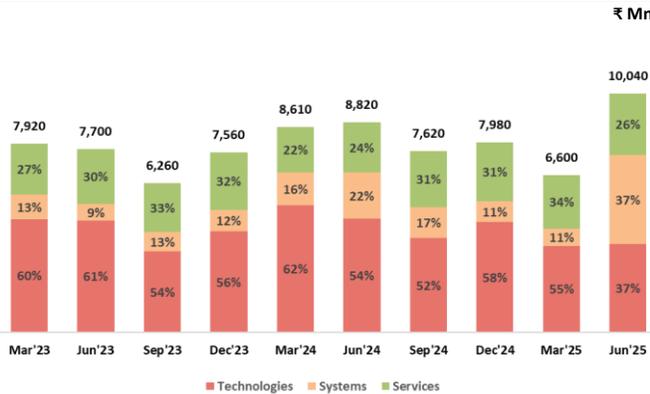
India GLE market share (%)



Source: SGLT RHP

### Order inflow (Q-o-Q)

### Order-backlog (TTM)





**20% reduction in cyclical GLE segment (5% CAGR); non-GLE is the growth engine (15% CAGR):**

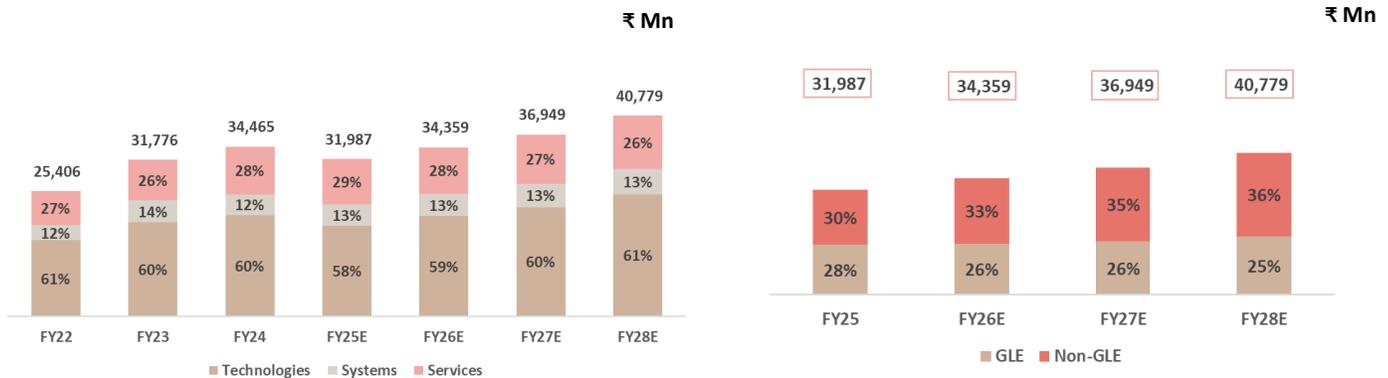
Mixing (Industrial Solutions) and Heavy Engineering to drive the topline growth, with a mid-teen digit CAGR% growth (14-15%) for the next 3 years

GMM Pfaudler has been engaged in a deliberate and structural transformation of its business model. Historically, the company was predominantly known for its glass-lined equipment (GLE), which contributed to over 50% of consolidated sales and over 70% in standalone sales. This strategic shift is a direct response to the inherent over-reliance on the cyclical chemical and pharmaceutical industries (down to ~60% in FY25 vs 81% in FY21), which constituted a significant portion of its sales. While GLE remains a core strength and a cash cow, the company has actively sought to reduce its reliance on this single segment. The non-GLE segment contributed about ~47% of Standalone revenue and ~31% of consolidated revenue in FY25. The long-term strategic plan is to increase the non-GLE segment to around 50% of total sales, a target it is actively pursuing.

The expansion into non-GLE is propelled by a clear and disciplined strategy of product diversification and strategic acquisitions. The non-GLE portfolio is broad, encompassing key segments such as industrial mixing, heavy engineering, filtration & drying, and sealing equipment. It has diversified into newer industries such as oil & gas, semiconductors (Edlon), water treatment, mining, and food & beverages. GMM Pfaudler has not pursued this expansion organically alone but has leveraged strategic acquisitions to accelerate its growth and global reach. Key acquisitions include Mixel (France) and MixPro (Canada), which provided access to European, Chinese, and North and South American markets. The company is also in the process of acquiring SEMCO (Brazil) to further strengthen its presence in South America.

**Segment-wise Revenue estimates**

**Non-GLE to drive growth (contribute 36% of total revenue)**



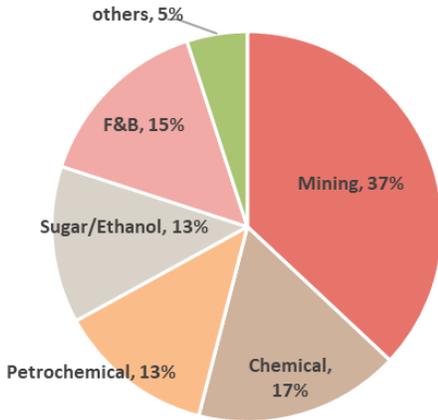
**Mixing and Industrial Solutions**

This segment serves a wide array of high-growth sectors such as chemicals, pharmaceuticals, food and beverage, and water treatment. It is being carved as the focal point for strategic acquisitions, with SEMCO (Brazil) being the most recent purchase intended to bolster GMM's global mixing platform and provide access to new markets. The company's mixing technology is offered under several branded product lines, including MIXEL, MIXION, and MIXPRO, in addition to alloy-based mixing systems under the EQUILLOY brand. The management has guided the mixing business to cross \$100mn in the next 3-4 years, growing at 17-18% CAGR



**SEMCO Acquisition – Landmark event in GMM Pfaudler’s mixing strategy**

A meticulously planned manoeuvre, rather than a move to merely add revenue, SEMCO Technologias em processos Ltda. is a strategically impactful acquisition to gain foothold in a new geographical market (South America) and to expand into new end-use industries such as metals, minerals, renewable fuels, pulp and paper and wastewater treatment. The total value was approximately \$18.5 mn (₹15.8 bn), which is funded through mix cash on balance sheet and debt. Approximately two-third was funded through debt of ~€10 mn and rest through balance sheet accruals. A specialist in industrial mixing solutions, SEMCO, adds various products such as agitators, vacuum pan mixer, attrition cell, ore pulp conditioner, complete reactor, and many more to GMM’s portfolio. Their business model is engineering, assembly and service along with outsourced manufacturing. Now, post-acquisition, they can leverage GMM’s ‘low-cost sourcing’ and financial backing to bid for larger projects. Brazil, being one of the world’s largest producers of iron ore, copper and bauxite, would drive demand for crushing, filtration and mixing. Post-acquisition, the mixing business revenue is expected to reach ₹51.3 bn (\$60 mn), with a strong order book and healthy opportunity pipeline.



**SEMCO (Revenue by Industry)**



**SEMCO (last 3 years Revenue)**

**Heavy Engineering (Equilloy)**

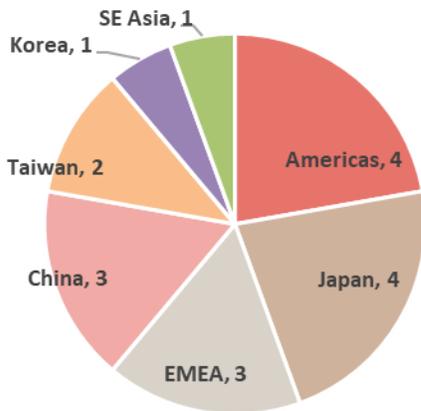
GMM Pfaudler acquired HDO Technologies’ operational manufacturing capacity in Vatva, Ahmedabad, for a consideration of ₹584 mn in April 2021. It has a built-up area of over 23,000 sqm, having 200 MT of crane lifting capacity, deep hole-drilling capabilities, plate rolling, a clean room for fabrication, vertical lathes, and many more equipment with an overall capacity of over 10,000 MT per annum. After this acquisition, the company grew the business from about ~₹1 bn to ₹2.8 bn at the standalone level in FY25. The revenue potential from this facility is over ~₹5 bn.

Historically, this segment has faced challenges such as delayed deliveries, long lead times, and poor working capital turnover. However, post implementation of a flow-based solution across design, procurement, and production functions, capacity utilization has improved and seen margin improvement from lower single digits to over 14-15% in FY25. This business is particularly strategic, allowing GMM to serve sectors beyond its core, such as oil and gas, semiconductors, food and beverages, mining, and water, reducing its exposure to cyclical sectors. We estimate this segment to grow at a CAGR of 16% with healthy double-digit EBITDA margins in the range of 14-16%

**Semiconductor (Edlon)**

GMM Pfaudler inaugurated a new dedicated facility for semiconductor equipment in Coatesville, Pennsylvania. The core competitiveness lies in its proprietary technology, such as PureFusion welding, offering purity and reliability. The high-strength welds with elongation properties prevent the formation of crevices where contaminants can collect. This provides a powerful competitive advantage as contamination control is paramount for the Semiconductor Industry.

According to the SEMI association, 18 new Semiconductor fabs construction projects are scheduled to begin in 2025, notable concentration in the USA and Japan (See Figure on left). These new facilities, particularly those focused on advanced nodes for high-performance computing, will require a massive influx of specialized equipment, such as ultra-high purity equipment and day tanks. The majority of this equipment is a part of Edlon’s portfolio and may see significant order inflow in the upcoming quarters for the same. GMM’s global footprint gives it access to multiple geographies to cater to this requirement. Currently, Edlon’s revenue is ~₹2 bn in FY25, and we estimate it to grow at 8% CAGR for the next 3 years (similar to the growth of the market for high-purity fluid products for semiconductors ~7.2% CAGR)



**Region-wise planned Fab plants**



*Major Capex announcements in India over ₹1,000 bn and global capex announcements of ~\$250 bn (₹21,250 bn) showcases significant order opportunity.*

**Well-placed to benefit from an estimated global addressable equipment opportunity of ₹1 tn over 3-4 years; capex revival in pharma and chemical, and exploring newer industries:**

A significant and sustained revival in capital expenditure is underway across the global Chemical and Pharmaceutical industries, with India and the United States emerging as primary growth hubs. This trend is not merely a cyclical rebound, but a multi-year structural shift driven by geopolitical tensions, onshoring policies, and a strategic pivot toward high-value, specialized manufacturing. This dynamic is creating a compelling demand trajectory for sophisticated process equipment, including glass-lined technologies. The report's analysis confirms that this surge in capex will drive robust demand for GMM Pfaudler and its diversified portfolio of solutions, with the strongest impact anticipated between FY2026 and FY2028. The company's consolidated order intake of ₹10 bn in Q1 FY26 and its subsequent acquisition of SEMCO serve as a real-time validation of this thesis, positioning GMM Pfaudler to capitalize on both its core and adjacent markets.

**Specialty Chemicals & Agrochemicals**

Aarti Industries has a significant capex plan that will provide a strong demand signal in the near term. As part of a larger ₹26 billion capex program for FY2025–FY2027, the company is allocating the remaining funds to its Zone-IV expansion. This project is a multi-purpose plant focused on the chlorotoluene value chain, with the major portion of the capital expenditure slated for FY2026 and commercialization phased over 18 months. The production of chlorotoluene involves the use of corrosive metal catalysts and requires a rigorous process of fractional distillation and purification. This makes the use of corrosion-resistant equipment, such as glass-lined reactors and heat exchangers, essential to prevent contamination and ensure product purity. The company's new 50:50 joint venture with UPL to produce amine derivatives also requires a combined investment of ₹3 billion over the next two years, with commercialization expected from Q1FY27. This further solidifies a multi-year pipeline for process equipment.

Navin Fluorine International Ltd. has signaled its conviction in future growth by revising its capex outlook to ₹7-10 bn, a notable increase from its previous guidance. This investment is flexible and strategically allocated to high-growth projects, including a new Chemours Opteon project scheduled for commercial production in Q1 FY27 and the Nectar project, which is expected to reach full capacity utilization in FY26 and ramp up through FY27. As a company specializing in fluorine chemistry, these projects will necessitate highly specialized, corrosion-resistant equipment. Glass-lined reactors and vessels are critical for containing the extremely corrosive nature of fluorinated compounds, making this a direct and high-value opportunity.

**Pharmaceuticals, Biopharma, and Peptides**

The US pharmaceutical and biopharma sectors are undergoing a massive expansion. AstraZeneca's plan to invest \$50 billion in the US by 2030 includes a new multi-billion-dollar manufacturing facility for small molecules, peptides, and oligonucleotides. Peptide synthesis, a core part of this investment, requires specialized glass reactors and heat exchangers to ensure precise temperature control and withstand the rigorous demands of repetitive synthesis cycles with various solvents and reagents.

Similarly, Lonza has a new commercial-scale aseptic drug product facility in Stein scheduled to begin operations in 2027. The production of highly potent APIs and biopharma substances requires specialized, cGMP-compliant equipment and vessels, which represent a significant demand opportunity.

**Non-Glass lining segment – adjacent demand opportunities**

Major infrastructure and specialty polymer projects are a source of strong indirect demand. For example, Larsen & Toubro (L&T), a heavy engineering giant, has secured multiple large projects, including a significant order for a pumped storage project in Maharashtra and a contract for a Green Hydrogen plant for IOCL. While these projects do not require glass-lining, they create a strong demand for other solutions in GMM Pfaudler's portfolio, such as large industrial mixers, agitators, and specialized sealing technologies for pressure vessels and pipelines.

Similarly, the global semiconductor industry is poised for an 11% growth in 2025, with companies expected to allocate \$185 bn to capital expenditures. This massive investment is driven by demand for high-purity chemicals, which are essential for chip manufacturing. These chemicals are produced and handled in vessels and systems lined with advanced fluoropolymers like PTFE and PVDF, where GMM Pfaudler's expertise in fluoropolymers and machined plastics becomes highly relevant. The company's



Edlon and Interseal brands are specifically designed for these high-purity, corrosion-resistant applications.

The announced capex pipeline across specialty chemicals, agrochemicals, pharmaceuticals, and biopharma in India and globally exceeds ₹900 bn in the next 3 years, with incremental opportunities in non-GLE segments such as semiconductors, heavy engineering, and green hydrogen. GMM Pfaudler’s diversified product portfolio in glass-lined and non-glass-lined equipment, coupled with its engineering depth, positions it as a prime beneficiary of this multi-sector capex revival.

With over ₹1,000 bn capex announcement by Indian players and ₹21,250 bn by global players, it provides significant order potential for the next 2-3 years. Assuming 5% of equipment cost for products addressable by GMM Pfaudler, the combined addressable order value is ~₹1,000 bn for the next 3 years.

**Capital Expenditure announced by Industry players**

Company	Country	Industry Segment	Application	Indirect Demand for GMM Pfaudler	Capex Amount	Date
<b>Indian Capex Announcements</b>						
Indian Oil Corp (L&T)	India	Petrochemicals	10,000 TPA - Green Hydrogen (Panipat)	Large-scale mixers, filtration systems, and engineered heavy equipment for complex processes. GMM Pfaudler can also supply fluoropolymer-lined systems for corrosive streams.	₹610 bn (~\$7.3B)	FY28
Deepak Nitrite	India	Specialty Chemicals	Phenol and phenol derivatives (downstream), PCA	Phenol and Polycarbonate capacity - GLE reactors, storage tanks, agitators, heat exchangers, pressure vessels, filtration and drying systems	₹35 bn (~\$420M)	FY27
Matex Fertilizer & Chemicals	India	Agrochemicals	Isopropyl Alcohol (IPA)	Agitators, large reactors, and heat exchangers for the upstream and downstream processes, where GMM's heavy engineering expertise is critical.	₹26 bn (~\$312M)	FY27
SRF Ltd	India	Specialty Chemicals	Fluorochemicals and Packaging films	GLE equipment, special alloy pressure vessels, heat exchangers	₹15 bn (~\$180M)	FY27
Navin Fluorine Int Ltd	India	Specialty Chemicals	Fluoro-specialty model (CDMO)	Mixing systems, agitators, GLE reactors, solvent recovery skids, heat exchangers	₹7-10 bn	FY27
Aarti Industries	India	Specialty Chemicals	Nitration, Sulfonation, halogenation	GLE reactors, dryers, filters, mixing systems, columns, and pressure vessels	₹11.3–13.3 bn	FY26
PI Industries	India	Agrochemicals/ Pharma	Agrochemicals / CRAMS	GLE reactors, columns, mixing systems, heat recovery, and exchange systems	₹8-9 bn (~\$96-108M)	FY26
Shivtek Specihem	India	Specialty Chemicals	Chlorinated Paraffin and Shivosol lubricants	alloy-based vessels, medium GLE reactors, Nutsche filters	₹6.5 bn (~\$78M)	FY27
Shree Pushkar Chemicals & Fertilizers	India	Specialty Chemicals	Dyes and Intermediates	GLE reactors, storage tanks, filtration and drying equipment, columns, absorbers	₹2.15 bn (~\$26M)	FY26
Himadri Specialty Chemicals	India	Specialty Chemicals	Carbon Black, specialty chemicals	HE pressure vessels and heat exchangers, mixing systems	₹1.2 bn (~\$14.4M)	FY26
JSW Steel	India	Heavy Engineering	Ancillary process equipment	Pressure vessels, absorbers, heat exchangers, condensers, filtration and drying equipment	₹221 bn	FY26
<b>Global Capex Announcements</b>						
Roche	USA / Switzerland	Biopharma	Diagnostics, small-molecule manufacturing	SS process vessels, shell-and-tube heat exchangers, filtration and drying equipment	\$50 bn	FY26-FY28



Novartis	Switzerland	Biopharma	API, formulation and biologics capacity	GLE reactors, mixing systems, adsorber, solvent recovery	\$23 bn	FY26-FY28
AstraZeneca	Sweden/UK	Biopharma	Drug manufacturing, vaccine and biologics	Large process vessels, columns	\$50 bn	FY26-FY28
Lonza	Switzerland	Biopharma/CDMO	Biologics and Small-molecule contract manufacturing	SS process vessels, heat exchangers, sterilization systems, solvent recovery	TBD	FY27
Qatar Energy (L&T)	Qatar	Heavy Engineering	Hydrocarbon offshore (oil & gas)	Pressure vessels, heat exchangers, columns, reactors	\$30 bn	FY27-FY28
Arkema	USA	Fluoropolymers	Specialty Fluoropolymer synthesis	GLE reactors and vessels, PTFE lined equipment, agitators, dryers	\$20 mn (₹1.7 bn)	FY26-FY27
TSMC	USA	Semiconductors	Semiconductor Fabrication	High purity mixing systems, heat exchangers, filtration and drying equipment	\$38-42 bn (₹3.23-3.57 tn)	FY26-FY27

Source: Company Disclosures (L&T), Semiconductor Industry Outlook (Infosys report)



EBITDA margins are expected to improve by 240 bps. From 11.3% in FY25 to 13.7% in FY28

**Strategic Cost Efficiency Initiatives to Boost OPM Margins by ~240 bps over the next 3 years:**

**1) Transition to Low-Cost Manufacturing Hubs:**

The company has initiated a shift of select production from high-cost European facilities (Switzerland and France) to a newly formed joint venture in Poland, aimed at optimizing its cost base. The Poland facility is expected to reduce manufacturing costs by approximately 30%, leveraging lower labor and utility expenses while maintaining quality standards. This transition, supported by an investment of ₹253 million (PLN 12.2 million), will meaningfully lower the European cost structure and enhance operational leverage.

**2) Portfolio Diversification Toward High-Margin Segments:**

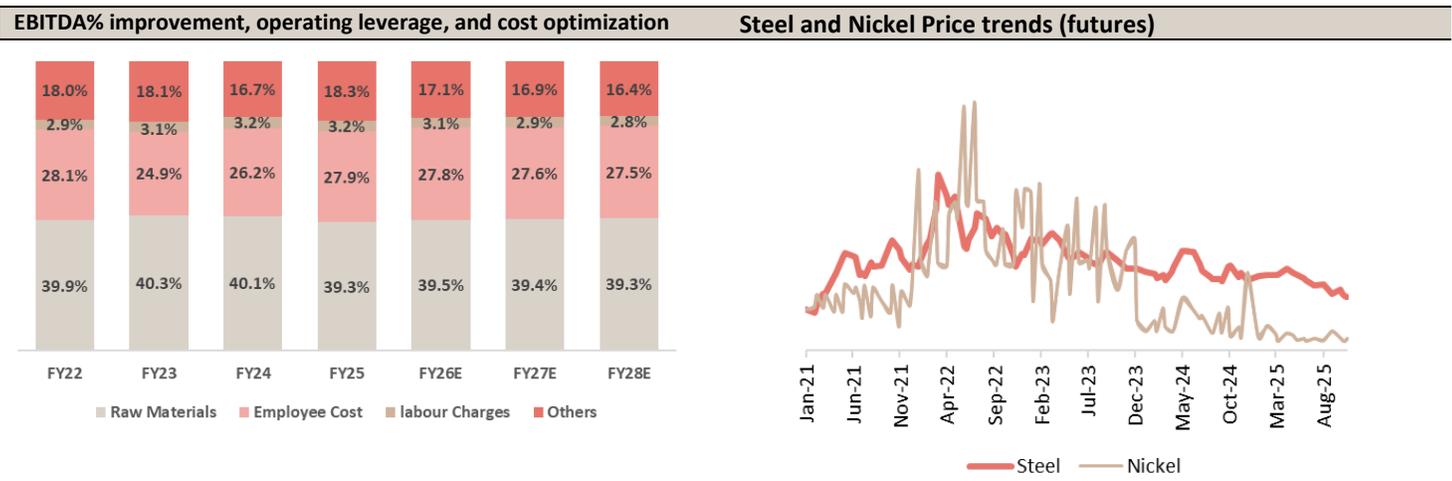
GMM is steadily increasing the contribution from non-glass-lined equipment (non-GLE) businesses, including mixing solutions, filtration, and heavy engineering. These high-value segments offer superior pricing power, lower cyclicity, and stronger export potential. The growing share of these businesses is expected to lift the company’s blended EBITDA margin profile, improving return ratios and earnings visibility.

**3) Operational Streamlining and Indian Cost Advantage:**

The company continues to drive efficiency across its Indian operations through process optimization, localized sourcing, and supply chain rationalization. India remains a key export manufacturing hub for the global network, enabling cost-effective production and margin accretion. Further, ongoing initiatives in automation, productivity enhancement, and capacity utilization are expected to yield incremental operating leverage.

Overall, these structural cost optimization measures and favorable business mix dynamics position GMM Pfaudler to sustain EBITDA margin improvement of ~240 bps, reinforcing its competitiveness across global markets while maintaining strong cash flow generation and capital efficiency. Non-recurring items such as plant shutdowns and non-cash items that impact operating profitability have already been incurred in FY25. Going ahead, such one-time costs are not expected.

Raw materials such as Stainless Steel (304), Nickel prices have stabilized and are consolidating at a low level. Prices are expected to stay here or marginally increase, unless global tariff policies shake up the supply chain further. Steel prices (for HR sheets) – 304 grade have fallen from the peak of 2022-2023 and stabilized at ~\$3,000/MT.





## Outlook & Valuation

For FY25, the company achieved a turnover of ₹31,987 mn (decline of 7.2% YoY), with reported EBITDA/PAT at ₹3,611/₹491 mn. The EBITDA margin declined from 13.8% in FY24 to 11.3% in FY25 (-250 bps YoY). This year was the year of industry downcycle and transformation, where weak order backlog and one-time shutdown costs significantly impacted revenue and margins. The company is working towards a structural transformation working at the EBITDA and PAT level to bring in the positive impact of operating leverage in the upcoming years. Consistent efforts on optimizing production costs, increasing capacity utilization and process optimization initiatives have positively impacted the standalone margin profile in Q1FY26, with a steep rise of 220 bps QoQ (from 13.5% to 15.7%). Revival in capex of pharmaceutical and chemical industries and diversifying to capitalize on opportunities in rare-earth mining, oil and gas, semiconductors and peptides, the company is well-positioned to ride on the upward trajectory of growth. As per our estimates, the company will achieve a turnover of ₹40,779 mn in FY28, growing at 8.4% CAGR. With cost reductions in manufacturing, process optimization and cross-selling initiatives, the EBITDA is expected to reach ₹5,718 mn by FY28 and with reduction in finance cost and tax leakages, the PAT is expected to reach ₹2,412 mn in FY28 with an EPS of 53.7.

At CMP of ₹1,233, the stock is factoring a TTM P/E of 62X on an TTM EPS of 19.9. **Based on our estimates, we assign 40x P/E multiple on FY27E EPS of 37.1 and FY28E EPS of 53.7, we recommend BUY with Two year TP ₹2,146, our one year TP stands at ₹1,483.**

	Revenue	EBITDA	EBITDA Margin (%)	Adj PAT	Net Margin (%)	A-EPS	P/E (x)	P/S (x)	EV/EBITDA (x)	RoE (%)
FY22A	25,406	2,839	11.2%	851	3.3%	58.3	21.2	2.2	20.9	16.1%
FY23A	31,776	4,312	13.6%	1,882	5.9%	41.9	29.4	1.7	13.7	23.4%
FY24A	34,465	4,758	13.8%	1,755	5.1%	39.0	31.6	1.6	12.5	18.2%
FY25A	31,987	3,611	11.3%	1,006	3.1%	22.4	55.1	1.7	16.4	9.8%
FY26E	34,359	4,314	12.6%	1,267	3.7%	28.2	43.7	1.6	13.7	11.1%
FY27E	36,949	4,887	13.2%	1,667	4.5%	37.1	33.3	1.5	12.1	12.8%
FY28E	40,779	5,718	14.0%	2,412	5.9%	53.7	23.0	1.4	10.4	15.8%

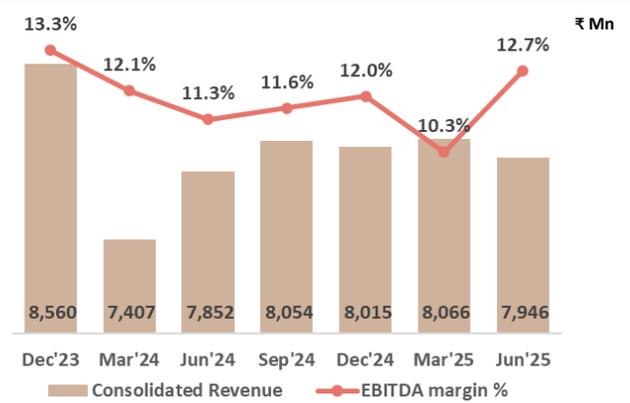


## Key Financial Trends

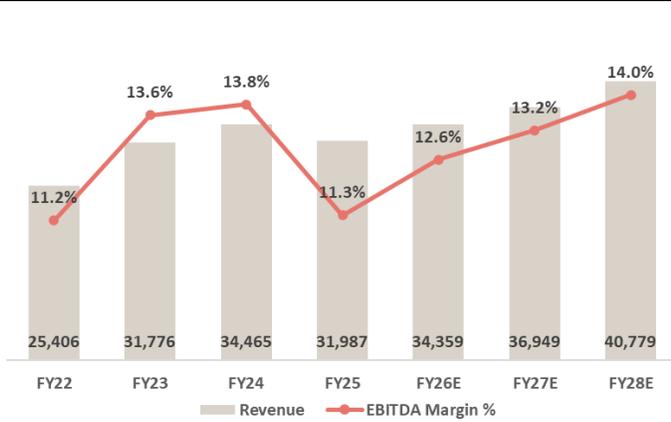
Improvement in Standalone margins by 220 bps



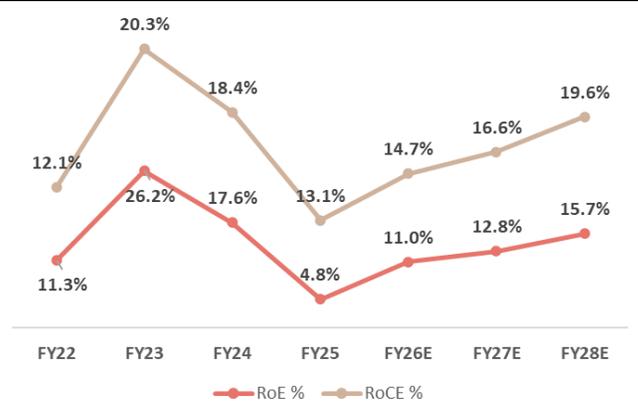
Rangebound QoQ Revenue, improvement in consol margins



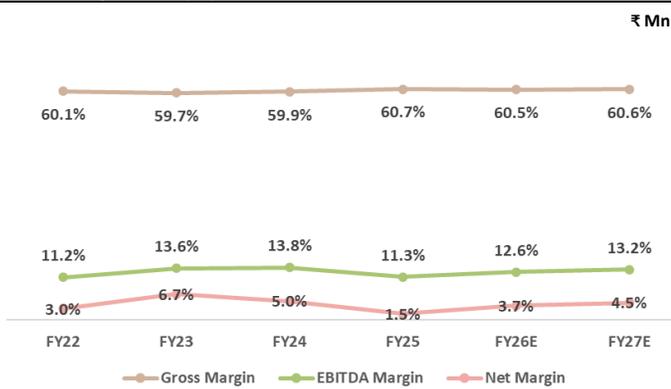
Positive Revenue and OPM % trajectory (FY28E)



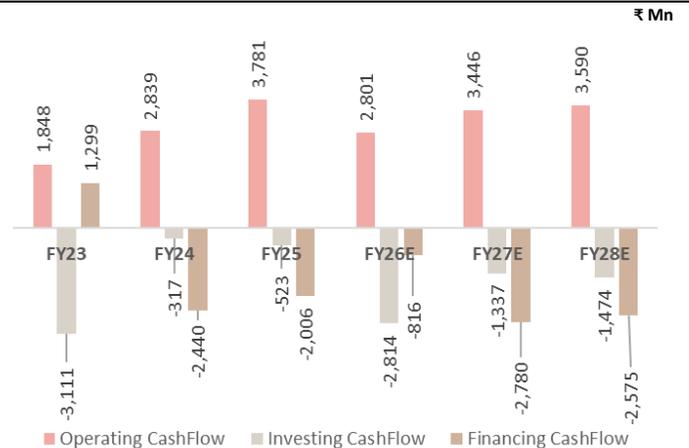
Return Ratios: % recovery to a higher mid-teens level

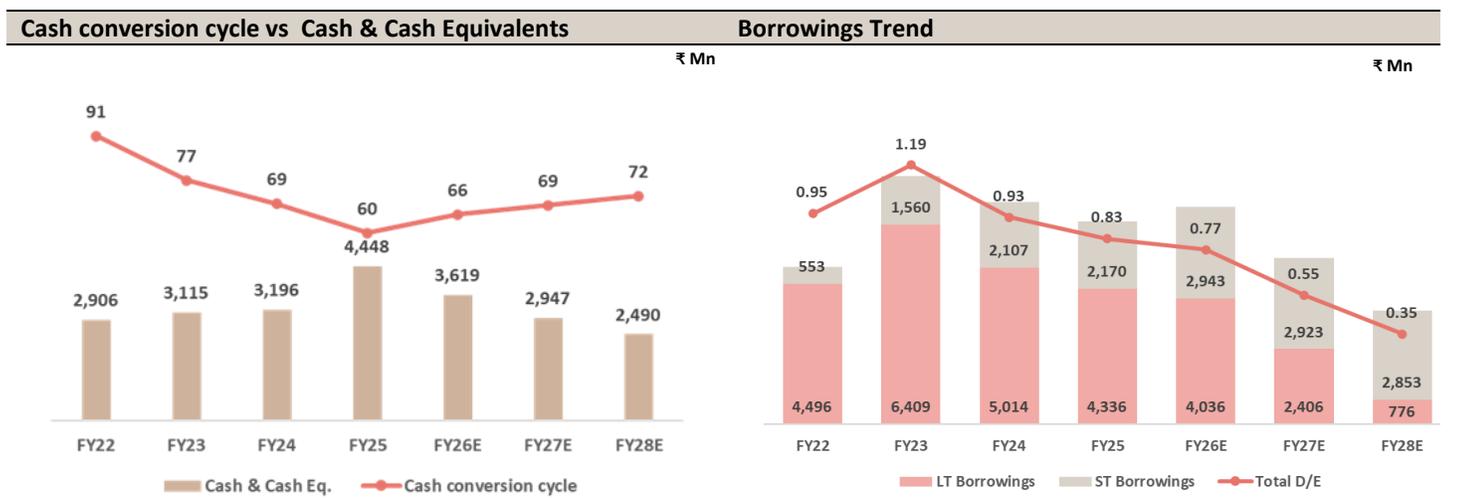
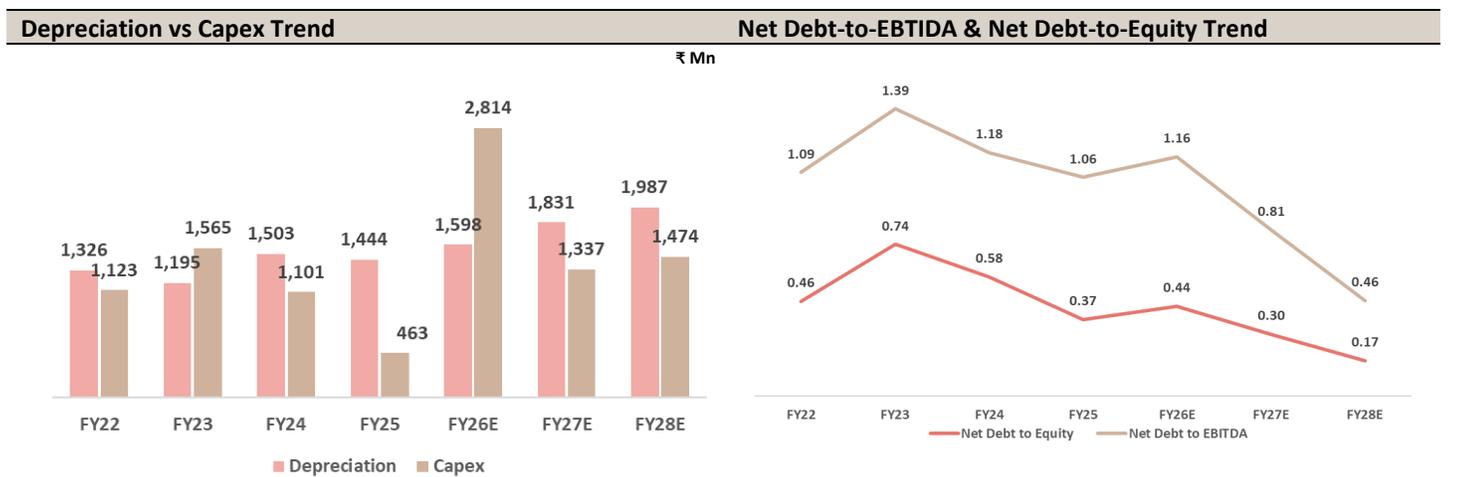
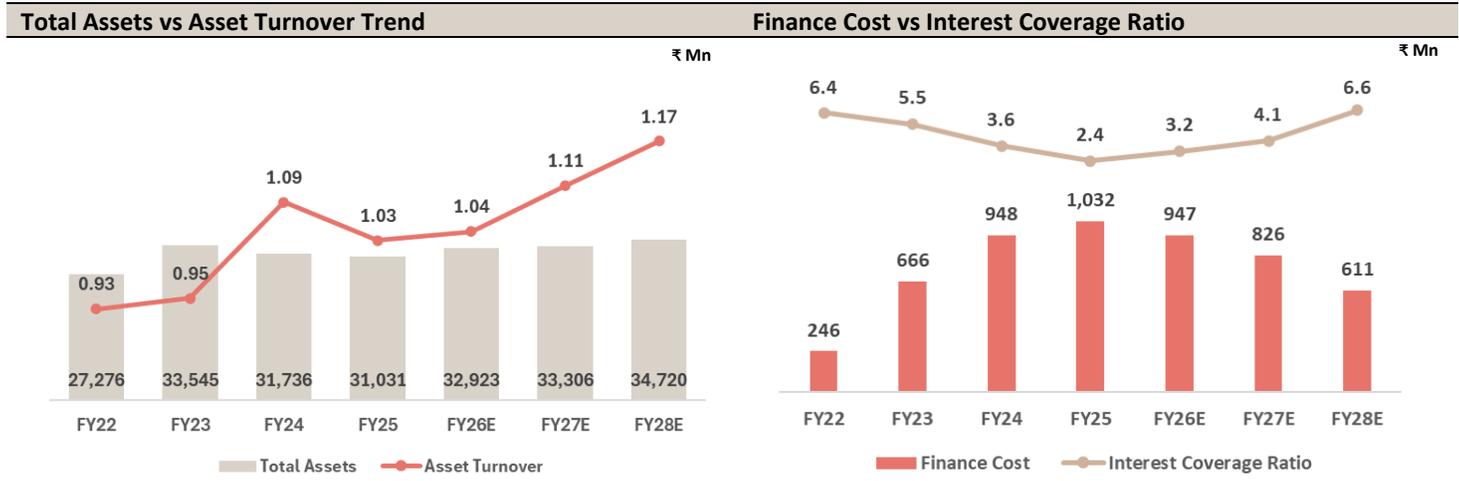


Profitability trend (%)



Cashflows Trend





Source: Company, Sunidhi Research



## Company Overview



GMM Pfaudler's history started back in 1962 when the Patel family established Gujarat Machinery Manufacturers ("GMM") and listed on the BSE. In 1987, Pfaudler Inc., the world leader in glass-lined equipment, acquired a 40% equity stake in the company, leading to a joint venture. In 1999, Pfaudler went on to increase its stake to 51% and the company was renamed GMM Pfaudler. In 2021, GMM Pfaudler completed the acquisition of the majority stake in the global business of the Pfaudler Group.

GMM Pfaudler Group is a global leader in corrosion-resistant technologies, systems, and services catering to chemical, pharmaceutical, food, and energy industries. The branded product lines include Pfaudler, Normag, Mavag, Mixel, Mixion, Interseal, Equilloy, Edlon, and Hydroair. The group comprises **8 complementary brands** and **19 manufacturing facilities** as of May 2025

### PFAUDLER

— Glass-Lined Technology

### NORMAG

— Lab & Process Glass

### MAVAG

— Filtration & Drying

### MIXION

— Mixing Technology

### MIXEL

— Mixing Technology

### MIXPRO

— Mixing Technology

### EQUILLOY

— Alloy Process Equipment

### INTERSEAL

— Sealing Technology

GMM Pfaudler's business can be divided into the following segments:

#### 1. Technologies

- a. Glass-lined technology is critical to the safe containment of corrosive content, maintaining the vessel pressure, and ensuring quality. These are primarily used in pharmaceutical, chemical, and agrochemical industries.
  - i. Glass-lined Reactors – DIN reactors, ASME reactors, and other customized reactors made of a steel body and glass lining inside. The capacity of the vessel ranges from 4 liters to 80,000 liters.
  - ii. Glass-lined mixing systems – one-piece agitator, cryolock, agitation elcolock agitation
  - iii. Baffling Technology – beaver tail baffle, c-baffle are used for the purpose of increasing the agitator power input in the vessel
  - iv. Storage Tanks & Receivers – used to store corrosive and ultra-pure chemicals and intermediates safely
  - v. Glass-lined columns – used in distillation, absorption, and other separation processes
  - vi. Glass-lined heat exchanger and mass transfer – SCO heat exchangers, evaporators, conical dryer blenders
  - vii. Accessories – agitators' baffles, thermowells, dip pipes, sight glasses for performance enhancement
- b. Non-Glass Lining technology
  - i. Lab and process glass (**Normag**) - portfolio has complete apparatus and units produced with Borosilicate glass 3.3 for reaction, distillation, evaporation, extraction, filtration, and absorption in laboratories, pilot plants, and production.
  - ii. Filtration and drying – (**Mavag**) – includes Nutsche filters and filter dryers, centrifugal disc filters, and a wide range of vacuum dryers.
  - iii. Mixing technology has applications across a wide range of industries such as pharmaceuticals, oil and gas, minerals, metals, hydrogenation, sugar, paints, food and beverages, pulp and paper, and petrochemicals.
    1. **Mixion** – wide range of agitators, circulators, high speed dispensers, side and top entry agitators, static mixers (Fermentation, paints, and mineral processing)
    2. **Mixel** – process agitators that operate under severe conditions – production-intensive and hazardous environments – chemical reactions, crystallization, coagulation, flocculation, dilution, emulsion, fermentation, etc. (Water treatment, Biogas, Food and Beverage, Petrochemicals)
    3. **MixPro** – manufactures mixers, agitators, aerators, and flocculators for fluid process systems (Pulp and paper, Flue Gas Desulfurization, Oil & gas, Rare earth, Precious metals).
  - iv. **Equilloy** – alloy mixing systems, reactors (stainless steel, duplex, Hastelloy, Monel, titanium) used in petrochemical, fertilizers, oil and gas industrial applications, and other specialty chemical industries. It also manufactures heat exchangers, pressure vessels.
  - v. Sealing technology – (**Interseal**) – default seal for glass-lined, alloy reactors, filters, and dryers. The company designs and manufactures shaft seal solutions for pharma seal applications, chemical industry processes, and food processes.



**EDLON**  
— Fluoropolymers

**GMM Pfaudler Systems**  
**HYDROAIR**  
— Membrane Separation Systems

- vi. Fluoropolymers (**Edlon**) – thermoplastic polymers comprised of Carbon [C] and Fluorine [F] – which exhibit corrosion resistance with applications in high purity fluid management and corrosion protection (Chemical, Pharmaceutical, Semiconductor, Pulp and paper). The company offers fluoropolymer linings and coatings for process vessels and storage tanks.
- vii. PTFE and engineered plastics – Impellers, Dip Pipes, Bellows, valve seats, chevrons, diaphragm, static mixers, column internals

## 2. Systems

- a. Products: Reactor systems, Distillation systems, Continuous glow reactor systems, acid recovery systems
- b. Brands
  - i. Reactor systems, evaporation and distillation systems – **GMM Pfaudler Systems**
  - ii. Acid-recovery systems – **Normag** (Lab and process glass)
  - iii. Fermentation broth separation – **Hydroair** (membrane separation systems)
- c. Applications
  - i. Biodiesel & Biofuels
  - ii. Continuous Chemistry
  - iii. Fischer-Tropsch Reaction Systems

## 3. Services

- a. Local presence – Spare Parts stocking, improving man-days, end-of-life refurbishment
- b. Customer Experience – Service App, AMC, 24/7 customer support

### Acquired Brands, Subsidiaries, and Joint Ventures

Name	Type	Industry Applications	Year	Key Advantage
Edlon, Inc	Subsidiary	Fluoropolymer linings	1985	Edlon specializes in high-purity fluid handling systems. It caters to semiconductor, biotech, pharma, food and beverage, and specialty chemicals industries. It helps establish an integrated value chain with Edlon's linings and GMM's glass-lined reactors and vessels. This is a high-margin and niche vertical ( <b>Edlon</b> )
Mavag AG	Subsidiary	Heavy Engineering and Glass-Lined equipment	2008	Primarily reactors and pressure vessels. It improves presence in Europe and North America ( <b>Mavag</b> )
Pfaudler Interseal GmbH	Subsidiary	Sealing technology	2017	Sealing technologies for rotating equipment in chemical, pharma and filtration, and drying systems. Patented dry-run sealing technologies to GMM Pfaudler's core glass-lined/reactor systems ( <b>Interseal</b> )
Pfaudler Normag Systems	Subsidiary	Lab & process glass	2017	Extends Pfaudler's portfolio upstream into glass laboratory and pilot scale systems, offering comprehensive process solutions ( <b>Normag</b> )
Industrial mixing solutions	Acquisition	Mixing technology	2019	This acquisition from Sudarshan Chemical Industries Ltd added high-efficiency agitators and magnetic drive agitators to its portfolio. New Mixing vertical was established alongside core glass-line and heavy engineering offerings ( <b>Mixion</b> )
De-Dietrich process systems	Subsidiary	Glass-lined equipment	2020	Market share expansion in India glass glass-lined equipment (~70% market share). It helped to boost capacity and fast-tracked operational readiness. Entry into Hyderabad's pharma city ecosystem (Mixion brand)
HDO Technologies	Subsidiary	Heavy Engineering	2021	Expanded the heavy Engineering capacity of GMM Pfaudler with a facility in Vatva, Ahmedabad. Potential to cater to the bio/pharma and energy sectors
GMM Pfaudler JDS LLC	Subsidiary (51%)	Glass-lined equipment	2022	Glass-lined equipment and re-glassing services offerings in the Americas. Expanded the local service capability in the North America market
Hydro Air Research Italia	Subsidiary	Membrane Technologies	2022	Pfaudler S.r.l. Italy - cash consideration - INR 411.6 mn. Membrane technologies (Hydroair brand)



Equilloy	Brand	Heavy Engineering	2022	New brand created GMM Pfaudler for its alloy process equipment and heavy engineering segment, with a clearer positioning that separates heavy engineering from glass-lined and mixing business.
Mixel France SAS	Subsidiary	Mixing technology	2023	Pfaudler GmbH, Germany - cash consideration - INR 673.2 mn, giving GMM Pfaudler access to the France and China markets, catering to custom-engineering industrial mixers and agitators (Mixel brand)
MixPro Canada	Subsidiary	Mixing technology	2023	Agitators for diverse industries, including minerals, pulp and paper, and flue gas desulfurization (FGD). This complements Mixel and Mixion to form a global mixing business, strengthening presence in North America (MixPro brand)
Poland LLC	JV (51%)	Non-GL	2024	Low-cost manufacturing base, a crucial strategic asset. It specializes in manufacturing high-quality stainless steel process equipment, catering to the pharmaceutical and food industries
SEMCO*	Subsidiary	Mixing technology	2025	SEMCO will strengthen GMM Pfaudler’s Mixing Technologies platform and give access to the rapidly growing markets in South America

\*In process

## Product Profile

### Glass Line Technology

#### Reactors



#### Agitators



#### Storage tanks and receivers



### Labs and process glass (Normag), Edlon (Fluoropolymers)

#### Mixing vessels



#### Glass reactors



#### High-purity tanks (Edlon)



#### PTFE & Engineered plastics





Mixing technology (Mixon, Mixel, and MixPro)

Gas induction agitators



High speed dispensers



Chemical reaction agitators



Eco Side entry mixers



Filtration and Drying (Mavag)

Nutsche filters and dryers



Centrifugal disc filter



Vacuum spherical dryer

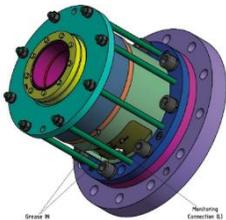


Vacuum conical dryer



Seal and Alloy process equipment

Dry9000 – seal shaft



Reactors (Stainless Steel)



Heat Exchangers



Pressure Vessels

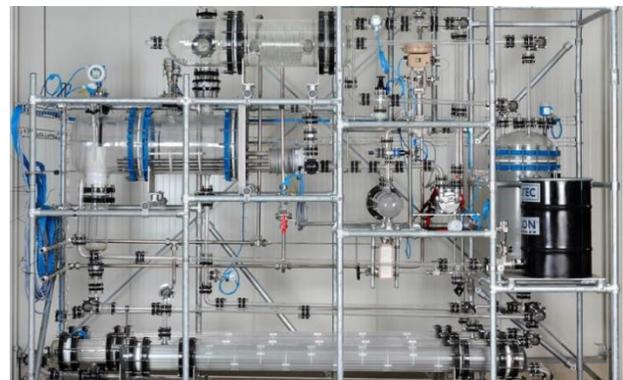


Systems

Modular Reactor Systems



Acid recovery systems (Sulphuric acid)





## Evaporator systems



## Membrane separation systems



Source: Company Corporate Presentation, Annual Report, Company Website

## Company History

Year	Key Milestones
1962	Gujarat Machinery Manufacturers ("GMM") was established (listed on BSE)
1987	Pfaudler Inc. USA forms a joint venture with GMM
1999	Pfaudler acquired GMM in Karamsad (majority stake) and renamed as GMM Pfaudler ("The Company")
2008	The Company acquired Mavag AG, Switzerland
2014 -2017	Acquisition of Normag (Lab glass), interseal (seals)
2019	Acquisition of IMS division of Sudarshan Chemicals (Mixon brand)
2020	The Company acquired glass-lined equipment manufacturing facility of De Dietrich process systems (Hyderabad)
2021	GMM Pfaudler acquired assets of HDO Technologies Ltd and completes acquisition of majority stake in global business of GMM Pfaudler Group (Equilloy)
2022	GMM Pfaudler acquires HydroAir Research Italia (HARI) and forms JV with JDS manufacturing (USA)
2023	Acquisition of Mixel France SAS and MixPro Professional Mixing Equipment Inc.
2024	Implemented cost optimization measures - Project Shikhar - EBITDA transformation (India)
2025	Acquired SEMCO (Brazil) and won major export order ~ INR 3,300 mn

Source: Company, Sunidhi Research

## Shareholding Pattern

Shareholding Pattern	Mar-24	Sep-25	Change
<b>Promoters</b>	<b>25.18%</b>	<b>25.18%</b>	<b>0.00%</b>
Millars Machinery Company Pvt Ltd	9.65%	9.70%	0.05%
Urmi Ashok Patel	5.25%	5.25%	0.00%
AJ Patel investments & Trading Co Pvt Ltd	0.00%	2.74%	2.74%
Millar Concrete Technologies Pvt Ltd	2.46%	2.46%	0.00%
A J Patel HUF	1.85%	1.85%	0.00%
A J Patel Charitable Trust	1.69%	1.69%	0.00%
Tarak Ashok Patel	1.16%	1.16%	0.00%
<b>FII's</b>	<b>22.15%</b>	<b>20.77%</b>	<b>-1.38%</b>
Amansa Holdings Pvt Ltd	0.00%	6.86%	6.86%
First Sentier Investors ICVC	2.30%	2.64%	0.34%
The Master Trust bank of Japan	0.00%	1.37%	1.37%
<b>DII's</b>	<b>13.06%</b>	<b>16.20%</b>	<b>3.14%</b>
HDFC Small Cap	0.00%	9.21%	9.21%
Canara Robeco Mutual Fund	1.41%	1.19%	-0.22%
Aditya Birla Sun Life	2.75%	0.00%	-2.75%
<b>Public</b>	<b>39.61%</b>	<b>37.84%</b>	<b>-1.77%</b>
Petunia Investments Ltd	0.00%	8.25%	8.25%

Source: Company, BSE, Sunidhi Research



## Management, Corporate Office & Manufacturing Facilities

### Corporate Information

#### Board of Directors

Mr. Ashok Jethabhai Patel	Promoter and Non-Executive Director
Mr. Tarak Ashok Patel	Promoter and Managing Director
Mr. Prakash Krishnaji Apte	Chairman (independent)
Mr. Nakul Toshniwal	Non-Executive Director
Ms. Bhawana Mishra	Independent Director
Mr. Vivek Bhatia	Independent Director
Ms. Shilpa Divekar	Independent Director
Mr. Raghav Ramdev	Non-Executive Director

#### Key Management Person

Mr. Taarak Patel	Interim CEO, India business
Mr. Thomas Kehl	CEO, International Business
Mr. Alexander Pomper	Group CFO
Mr. Gregroy Gelhaus	Chief Transformation Officer
Ms. Mittal Mehta	Company Secretary and Compliance Officer

#### Registered Office

Vithal Udyognagar, Anand - Sojitra Road, Karamsad - 388325

#### CIN

L29199GJ1962PLC001171

### Manufacturing Facilities (as of May'25)

Geography		Technologies		Systems	Services
Location	Country	GLE	Non-GLE		
Karamsad	India	✓	✓	✓	✓
Nacharam*	India	✓			✓
Vatva	India		✓		✓
Li Yang	China	✓		✓	✓
Beijing	China		✓		
Waghausel	Germany	✓	✓		✓
Ilmenau	Germany			✓	
Hofheim-Wallau	Germany				✓
Torre Di Mosto	Italy	✓			✓
Milan	Italy			✓	
Dardilly	France		✓		
Neunkirch	Switzerland		✓		✓
Leven**	UK	✓			✓
Bolton	UK		✓		✓
Rochester	USA	✓	✓	✓	✓
Avondale	USA		✓		✓
Ameicus	USA				✓
Coatesville	USA		✓		
Brampton	Canada		✓		
Taubate	Brazil	✓			✓

\*Operations have been shut as of Mar'25

\*\*Operations will be shut by Q2FY26

Source: Company, Sunidhi Research

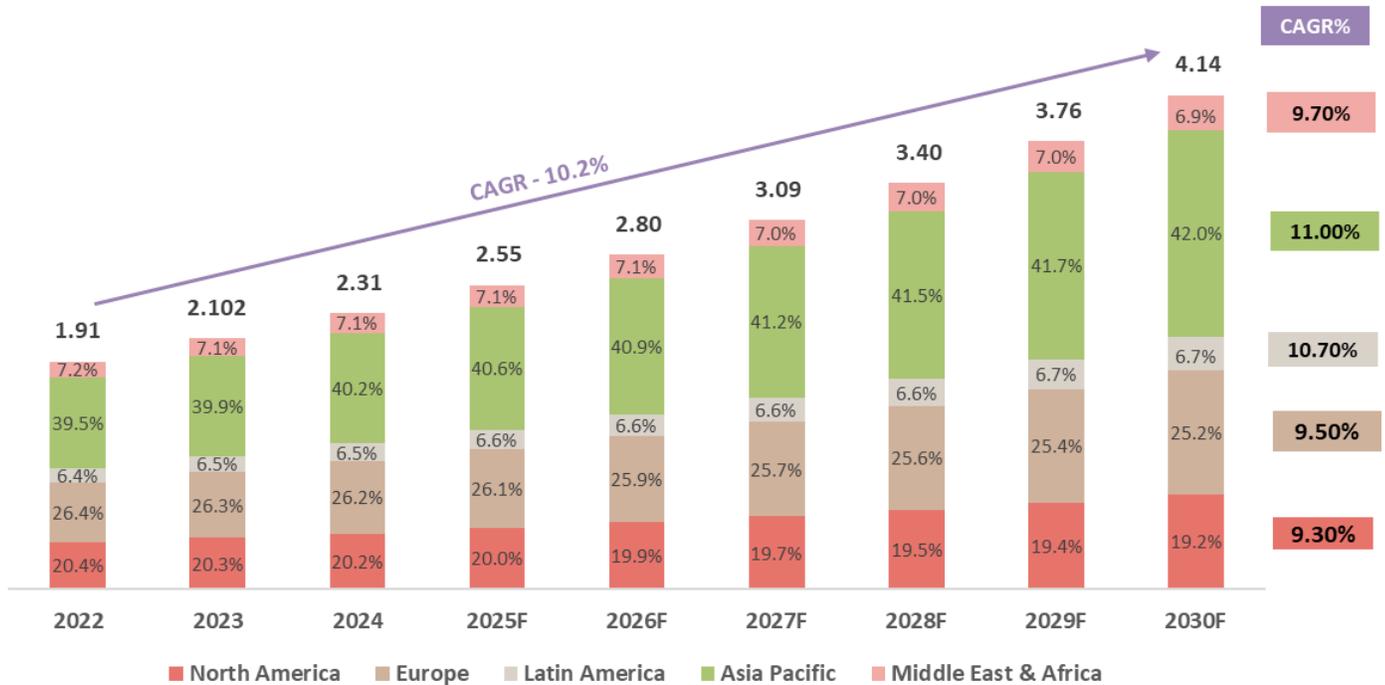


## Industry Overview

### Glass Lining Equipment

The market for glass-lined equipment comprises reactors, storage tanks, heat exchangers, and columns. The global GLE market is estimated at approximately \$2.31 bn as of 2024 and is expected to grow at a 10.2% CAGR to reach \$4.14 bn by 2030. Reactors account for ~40% of the total market, whereas agitators are one of the fastest-growing segments. The Asia Pacific region is expected to grow at an 11% CAGR, contributing to a 42% market share for glass-lined equipment in 2030. Major industry end use covered is pharmaceuticals, chemicals, agriculture, and food & beverages.

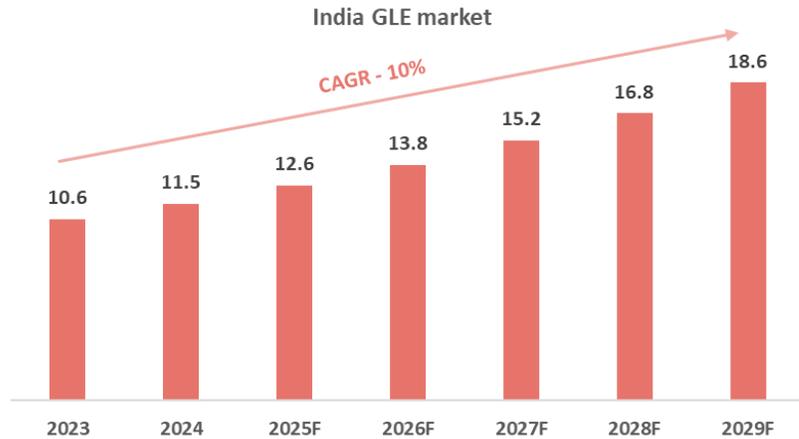
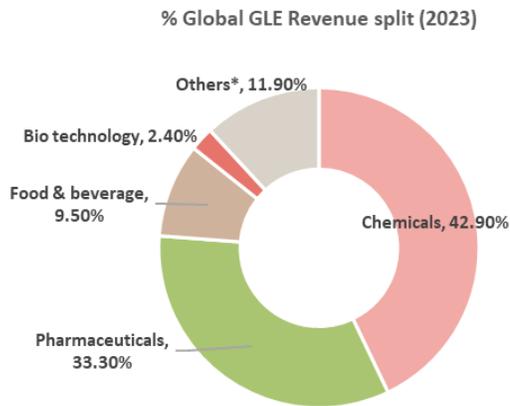
Market Size for region-wise Glass-lined equipment (In \$bn)



Source: Grandview Research, Data Bridge

The global glass-lined equipment (GLE) market is witnessing steady growth, supported by ongoing R&D in advanced glass coatings that enhance durability and expand end-use applications across pharmaceuticals, biotechnology, and specialty chemicals. In the U.S., growth momentum is driven by stringent safety and quality regulations, rising pharmaceutical production, and increased localization of manufacturing to reduce dependence on China. Additional demand tailwinds stem from the processed food and beverage sector and technological advancements in production systems.

**Asia Pacific (primarily India, Japan, and China) remains the dominant region, accounting for approximately 39.3% of global market share in 2023, with a robust projected CAGR of over 11-12% in the next 5 years.** Expansion is led by strong capital investments in pharma and chemical manufacturing, demographic trends such as an aging population, and capacity expansions in China, India, and Japan. Europe continues to be a mature but resilient market, supported by high R&D intensity, biosimilar introductions, and elevated healthcare spending. The region’s large base of specialty and energy-intensive chemical producers ensures sustained demand for GLE reactors and process systems. Meanwhile, Latin America, the Middle East, and Africa are emerging as growth frontiers, supported by gradual industrialization and expansion in local pharmaceutical and chemical capacities.



**The India Glass-lining market size was valued at ₹11.5 bn in 2024 and is expected to surpass ₹18.6 bn by 2029, growing at a 10% CAGR.** The key drivers for such robust growth are the impact of the US Biosecure Act (which incentivizes onshoring in the USA and ‘friend-shoring’ in India, Europe, and Southeast Asian markets) of pharmaceutical and biotech manufacturing, prompting a near-term procurement re-qualification cycle and multi-year capex programs in the U.S., Europe, India, and other allied countries, and a re-emerging capex cycle leading to medium-to-long term brownfield and greenfield capex.

**US Biosecure Act – purpose and benefits**

This act, as a part of the National Defense Authorization Act, prohibits federal agencies, contractors, and grant recipients from using specified ‘biotechnology companies of concern’ or ‘entities on certain national security lists’. The purpose of the act is to reduce dependence on ‘foreign adversary’ biomanufacturers (hinting at Chinese players such as Wuxi Apptech, BGI, MGI), protect biological data, and improve supply chain resilience from on-shoring or friend-shoring of sensitive biotech and pharmaceutical capabilities. This act was passed by both houses of the U.S. Congress in October 2025.

The key beneficiaries of this act will be the biopharma or biologics manufacturing, which includes APIs for biologics and vaccines, CDMOs and biotech research services, and supply chain and validation services (QMS, equipment qualification, consulting). This will see investment demand to relocate validated capacities to non-restricted (allied) suppliers such as Europe, India, and select south-east asian hubs as favorable alternative manufacturing bases, as well as localization of manufacturing. As of 2024, about 79% of US Biopharma companies' imports were dependent on Chinese players for manufacturing components. This act will force many companies like Pfizer, Merck, Johnson & Johnson, AbbVie, Eli Lilly, and many other firms to re-source from other geographies, which will eventually call for an accelerated capex cycle, giving a boost to medium to long-term capital investments. Indian pharmaceutical companies that could benefit are Divi’s Labs, Syngene International, Piramal Pharma, Neuland Laboratories, Biocon, Aurobindo Pharma, Laurus Labs, and Suven Pharma, which are prominent players. This shift will materially benefit capital goods players such as GMM Pfaudler, HLE Glascoat, and other GLE players that supply corrosion-resistant glass-lined reactors, agitators, and columns. This act opens up a sizeable market opportunity, but realization depends on legislative finalization, implementation rules, and the ability of the OEMs to scale while managing the supply chain bottlenecks.

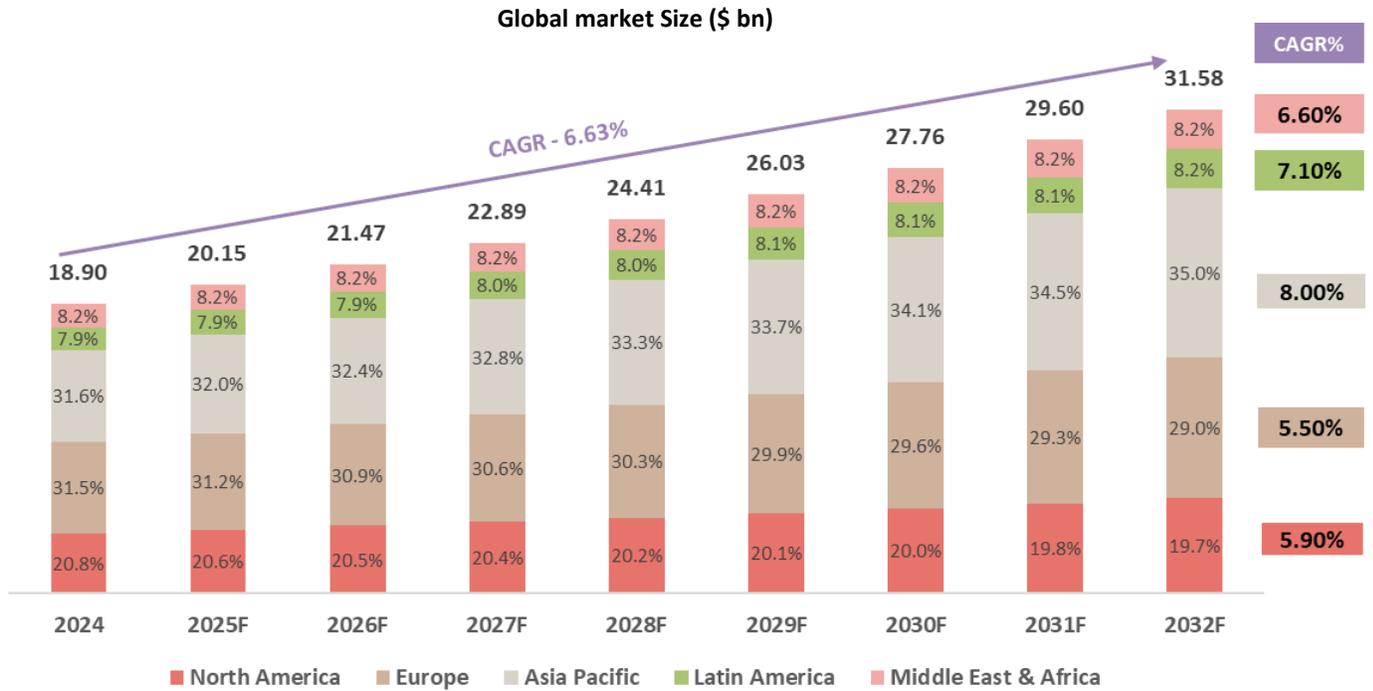
**Re-emerging Capex cycle with medium-to-long term large greenfield and brownfield capex**

After a two-year trough in 2024-25 driven by weak industrial demand, over-capacity in commodity chemicals, and delayed pharmaceuticals projects, a nascent capex cycle is emerging – led by pharma/biopharma (which includes reshoring, announced investments, CDMO capacity builds), followed by specialty chemicals, decarbonization, and regions where tariffs trigger local investment.

- At the end of 2025, a visible uptick in spares, relining, and small retrofit orders is expected as the companies re-qualify suppliers and secure critical parts, with pharma CDMOs and large players accelerating validation spends
- In the medium term (till 2027) – several greenfield and brownfield capex through awarding of EPC and equipment contracts – for reactors, pumps, vessels, skids, columns will be converted to orderbook
- As global over-capacity is restructured, specialty chemicals and decarbonization investments will pick up.



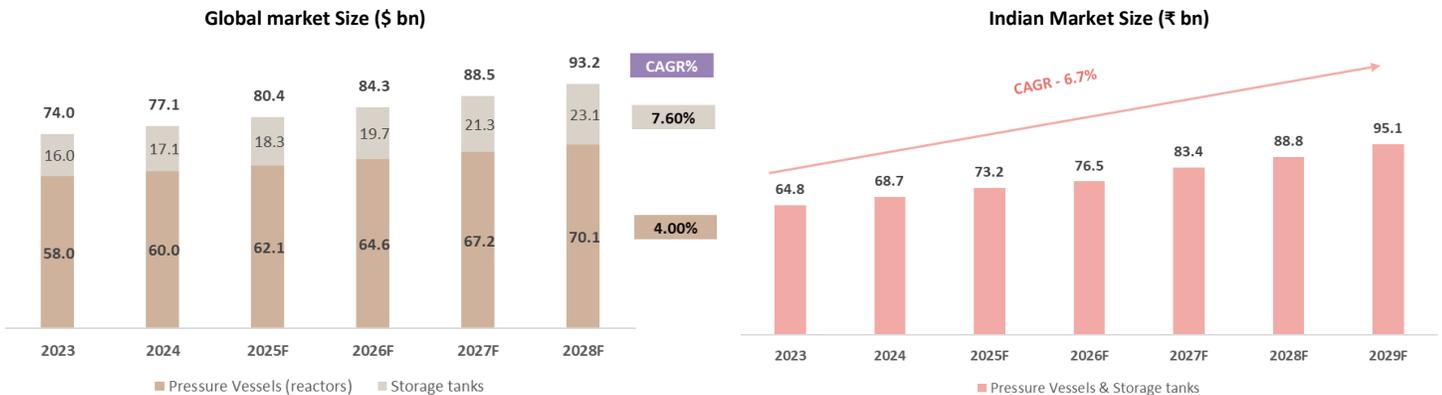
Heat Exchangers



Source: Grandview horizon research, Company Annual report, Frost and Sullivan Analysis

The heat exchanger market (global) is expected to grow at a 6.63% CAGR from 2024 to 2032, attaining a market size of ~\$32bn. The key products in this scope are plate and frame, shell and tube, and air-cooled. GMM Pfaudler is in the **shell-and-tube heat exchanger** product category, which accounted for \$6.7 bn (~36% of the total heat exchanger market). The Indian market size for shell and tube heat exchangers is \$483 mn (₹41 bn) in 2024. This category is expected to reach an overall market size of \$9.2 bn by 2030, out of which the Indian market will account for \$746 mn (~₹65 bn) in size, which is the addressable market for GMM Pfaudler.

Pressure Vessels and Storage Tanks



Source: Frost & Sullivan Analysis, Annual Report

The global pressure vessel market is witnessing sustained growth, supported by robust demand from the oil, gas, chemical, and petrochemical industries. The expansion of alternative fuels—including biodiesel, ethanol, hydrogen, and LNG—continues to diversify demand for high-integrity vessels manufactured from steel, titanium, aluminium, and nickel alloys. **In 2023, the chemicals sector remained the largest end-use vertical, contributing approximately \$23 billion, or 40% of global market revenues.**

The oil & gas segment continues to dominate the market due to extensive infrastructure requirements across refineries, pipelines, and offshore installations. Rising investments in CNG and LNG infrastructure are expected to support the segment’s leading CAGR% during the forecast period. Concurrently, the chemical and petrochemical industries remain critical demand drivers, given the need for corrosion-resistant vessels for reactive substances.

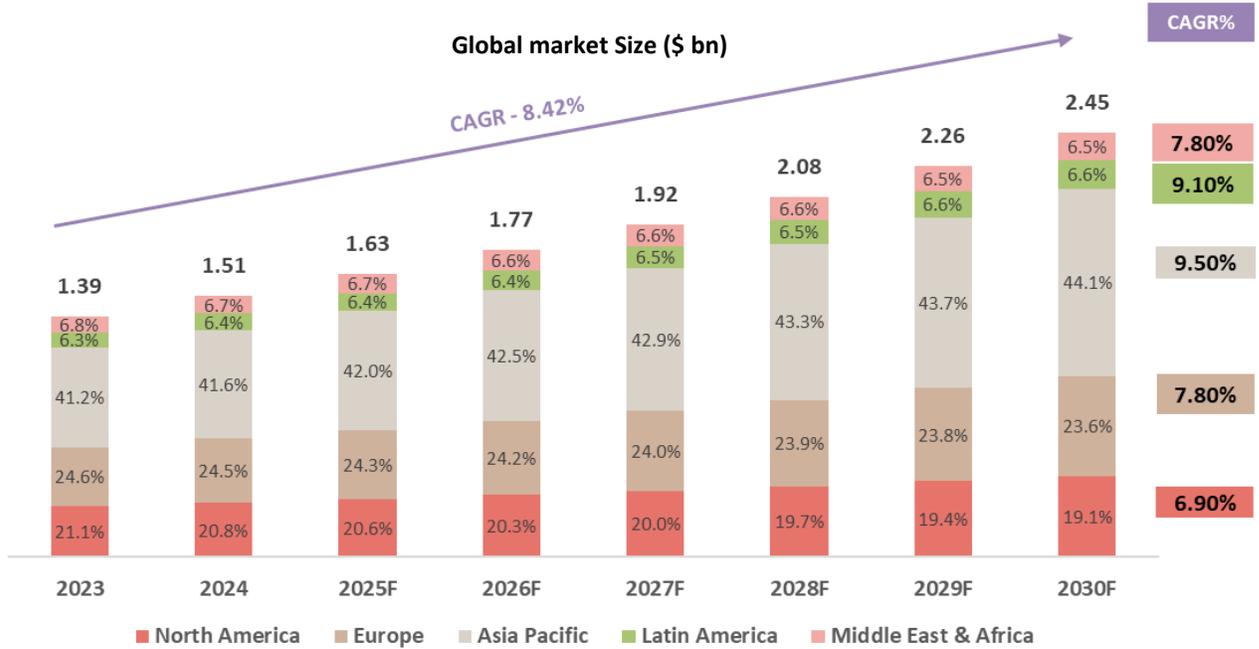


Growing industrialization and urbanization have driven rapid capacity expansion in the power generation sector, where renewable energy sources such as solar and wind increasingly rely on high-pressure containment systems for energy storage and distribution. Regulatory focus on operational safety and process efficiency further underpins structural demand for pressure vessels across industries.

In addition, the global storage tank market is expanding in tandem with higher energy consumption and infrastructure investments. Demand from petrochemicals, fertilizers, and construction materials adds to overall momentum, with hazardous material storage tanks commanding a significant share due to stringent safety requirements.

In India, the pressure vessel and storage tank market was valued at ₹68.7 billion in FY24 and is projected to grow at a CAGR of 6.7%, reaching ₹95.1 billion by FY29. Growth is underpinned by expanding industrial capacity, ongoing energy transition initiatives, and rising nuclear energy investments. India’s target to raise installed nuclear power capacity from 6,700 MW to 22,480 MW by 2031 is expected to be a major catalyst, given the critical use of pressure vessels in nuclear reactors.

Filtration and Drying Equipment



Source: Grandview horizon research, Company Annual report

The global filtration and drying equipment market is estimated at \$1.39 bn in 2023 and expected to reach \$2.4bn by 2030, growing at an 8.4% CAGR. Filtration and drying equipment are essential in R&D for refining and testing products or processes before commercial use. The market size in India is \$102 mn (7% of the global market) and is expected to grow at a CAGR of 10.5% and reach \$205 mn by 2030. **Agitated Nutsche filter-dryer – ANFD** (one of the key products of GMM Pfudler’s portfolio) accounted for 50.89% revenue in 2023 and is the most lucrative technology with a high single-digit growth forecast (~9%) for the period until 2030. ANFD is used in pharmaceuticals, dyes, textiles, paints, and wastewater treatment, and the industrial-grade equipment costs in the range of ₹6-10 mn



Agitated Nutsche filter dryer

**Industrial Mixing Solutions**

Brand	Core Products	Industry applications	Geographic Strength	Industry size & growth
<b>Mixion (India)</b>	Top- & side-entry agitators, static mixers, high-speed dispersers, circulators	Fermentation, paints & coatings, mineral processing, basic & specialty chemicals	India & SE Asia (industrial base expanding; capex in paints, specialty chemicals, minerals)	India industrial mixers & agitators: \$59 mn (2024) to \$94mn by 2033; CAGR ~5.3%
<b>Mixel (France)</b>	Process agitators for severe conditions — high P/T and hazardous chemistries	Water & wastewater treatment, biogas, F&B, petrochemicals, pharma	Europe, MENA, North Africa, APAC	Global industrial mixers/agitators (relevant parent market): \$2.6 bn (2024); projected mid-single digit CAGR ~5% to reach ~\$3.6 bn by 2029–2030.  Water & wastewater upgrades are a faster-growing end-use within this (wastewater plants capex / policy tailwinds). The addressable market size is \$250 mn (2024), expanding to \$380 bn in 2030 (5-6% CAGR)
<b>MixPro (Canada)</b>	Heavy-duty mixers, aerators, and flocculators for slurry & corrosive fluids	Pulp & paper, flue gas desulfurization (FGD), mining (rare earths, precious metals), oil & gas	North America, LATAM, Australia, Africa	Slurry agitator market (mining/minerals): ~\$300 mn (2024) to ~\$450 mn in 2033 (CAGR ~5.3%)  Pulp & Paper (equipment market for mixing) - \$180 mn and is expected to reach \$240 mn. This is a niche market growing at a 4-5% CAGR.
<b>SEMCO (Brazil)</b>	Agitators, mixers, dispersers, emulsifiers, reactors; custom-engineered systems	Mining & metallurgy, pulp & paper, sugar & ethanol, F&B, water/wastewater	Latin America (strong domestic base; exports across South America)	SEMCO will help tap the LATAM markets of minerals and mining, pulp and paper and wastewater

Source: Grandview horizon research, Imarc group, MarketsAndMarkets

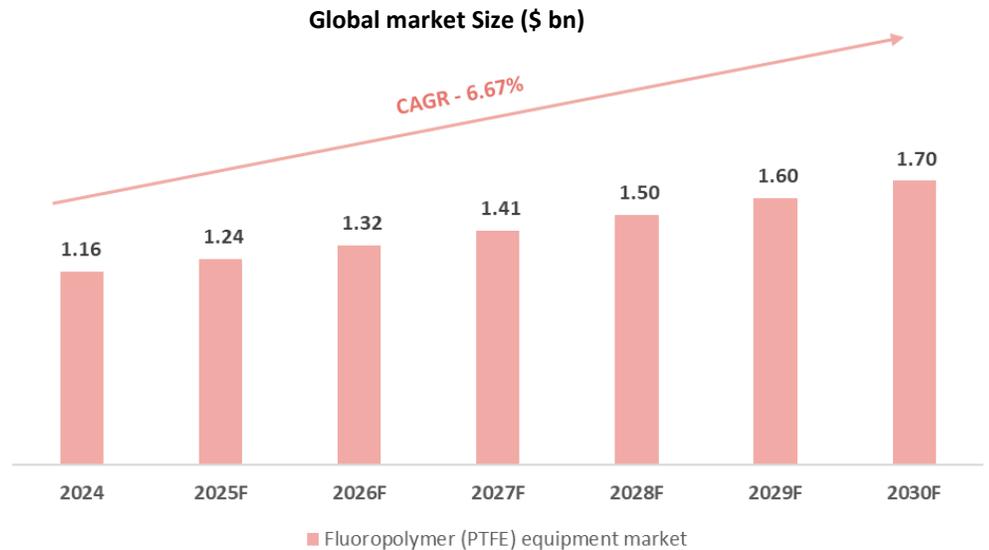
**Key Industry applications end-use**

1. Rare earth mining and processing – the market size is expected to grow from \$4.15 bn in 2025 to \$6.26 bn in 2030 (CAGR – 8.6%), which includes equipment and processing-grade mixing solutions used in REE beneficiation, leaching, and hydrometallurgical processes
2. Flue-gas Desulfurization (FGD) systems market – the size of the market is expected to grow from \$26 bn in 2025 to \$35 bn in 2030 (6.5% CAGR). The FGD systems market is the relevant top-level equipment market for mixing solutions used in limestone slurries, absorber tanks, reagent dosing, and associated scrubbing processes. Agitators, flocculators, and slurry mixers are recurring components in FGD systems. The mixing capex is ~1-3% of the total capex spent, depending on process intensity.

**Fluoropolymers market size**

The Global Fluoropolymers market is valued at \$10.4 bn, growing at 9.1% CAGR to reach \$17.85 bn by 2030. By product, PTFE (Polytetrafluoroethylene) comprises about 65% of the market. The specialized equipment market is ~8-9% of the total market, which comprises Fluoropolymer-lined ISO (high-purity storage equipment – tanks and containers). North America and Europe, put together, represent a large share of high-purity equipment (PTFE-lined container market) – (40-50% of the global demand).

The expansion of global trade and logistics infrastructure is a critical driver for the fluoropolymer-lined ISO tanks market. As international trade volumes continue to rise, industries increasingly demand reliable and standardized containers for transporting bulk liquids, chemicals, and specialty substances. ISO tanks, with their standardized dimensions and certifications, enable seamless handling across multiple modes of transport, including shipping, rail, and road, ensuring efficiency, safety, and regulatory compliance.



*Source: Techsci Research*

Overall, North America remains the largest and most technologically advanced market, while South America offers high-growth potential through industrial diversification and regulatory alignment toward global safety and sustainability standards.

**North America** currently leads the fluoropolymer-lined ISO tank market, driven by strong demand from the chemical, pharmaceutical, and food-processing industries that require contamination-free transport solutions. The U.S. and Canada have stringent safety and environmental standards from agencies like the EPA and DOT, encouraging the shift from conventional steel tanks to PTFE- or PFA-lined tanks due to their superior corrosion resistance and purity assurance. The region also benefits from advanced logistics infrastructure and a strong focus on ESG compliance, as these tanks offer longer life cycles and reduced maintenance costs.

**South America** represents an emerging growth market, supported by industrial expansion in Brazil, Argentina, and Chile. Growing chemical, agrochemical, and pharmaceutical production fuels demand for reliable, corrosion-resistant transport systems. Infrastructure modernization and export-oriented supply chains are accelerating adoption, while increasing awareness of sustainability and product integrity drives the shift toward reusable, high-performance tank systems.

Semiconductor industry opportunity for capital goods suppliers of Fluoropolymers:

1. **Fab and chemical demand growth** — rapid semiconductor fab buildouts (reshoring/expansion in North America & Europe), plus rising semiconductor-chemical volumes and stricter contamination controls, drive the need for larger numbers and higher-specification containers, lined tanks, and associated valves/fittings. The chemicals market growth is a structural demand driver.
2. **High value per unit & aftermarket revenue** — PTFE/PFA-lined tanks, ISO totes and custom high-purity vessels command high ticket prices and recurring service/re-lining, qualification and spare parts revenue (valves, filters, seals). This improves lifetime customer value versus commoditized metal tanks.
3. **Regulatory and quality barriers protect incumbents** — SEMI safety / chemical-handling guidance and ultra-high purity specifications (SEMI standards, industry UHP specifications) create technical barriers-to-entry (material specs, cleanliness, documentation, traceability). Players who can certify SEMI/industry specifications and demonstrate low-particle and low-leach performance earn premium pricing.



**Product-wise competitive landscape (Global vs India)**

	Product Categories	End-use industries	Global competitors	Indian competitors
<b>GLE</b>	Glass-lined reactors	Pharma/biotech (APIs/CDMO), specialty chemicals, fine chemicals	De Dietrich Process Systems; THALETEC; 3V-Tech; Büchi AG (pilot/production); Zibo Taiji; Jiangsu Yangyang	GMM Pfaudler; HLE Glascoat Ltd; Sachin Industries Ltd; Standard Glass-Lining Technology Ltd; BEW Engineering; Suryamani Glass-Steel; Amar Equipment; Glasigen Ltd; Aditya Glass Line
	Glass-lined storage tanks/receivers/vessels	Corrosive storage for chemicals, pharma intermediates, and water treatment	Zibo Taiji; Büchi AG (pilot tanks); De Dietrich	GMM Pfaudler; HLE Glascoat; Sachin Industries; Standard Glass-Lining
	Glass-lined agitators/mixing systems (GLE internals)	Pharma, chemicals, cosmetics, food	THALETEC; 3V-Tech; De Dietrich; Taiji	GMM Pfaudler; Sachin Industries; Standard Glass-Lining; HLE Glascoat
	Glass-lined columns/towers (packed/plate)	Distillation, separation in pharma/specialty chem	De Dietrich; Taiji; Jiangsu Yangyang	GMM Pfaudler; HLE Glascoat; Standard Glass-Lining
	Glass-lined heat-transfer (glass-lined condensers/exchangers)	Corrosive heat transfer, condensers in pharma/chem	Büchi (glass condensers); THALETEC (compact GL exchangers); Taiji	GMM Pfaudler; Sachin Industries; HLE Glascoat; Standard Glass-Lining
<b>Non-GLE</b>	Shell & Tube heat exchangers, plate exchangers	Petrochem, chemicals, pharma, food	Alfa Laval; GEA; SPX Flow	Anup Engineering; ISGEC; Thermax; Praj Industries; GMM Pfaudler (non-GLE lines)
	Pressure vessels, alloy reactors (SS / Hastelloy / Ti)	Petrochem, fertilizer, refinery, chemicals, pharma	Doosan, John Cockerill, global heavy fabricators	ISGEC Heavy Engineering; The Anup Engineering; Praj Industries; GMM Pfaudler (alloy lines)
	Agitators / mixers (stainless or alloy shafted)	Pharma, chemicals, food, cosmetics	Alfa Laval; SPX Flow; Silverson	Anup Engineering (mixing internals), Praj (skid integrators supply mixers), GMM Pfaudler (GLE & non-GLE agitators)
	Modular process skids, WFI & utilities packages	Biopharma/CDMO, specialty chem, food	GEA, SPX, modular integrators	Praj Industries (HiPurity & modular skids); Thermax (utility skids); Anup / ISGEC (EPC & modular packages)
	Filtration, drying, centrifuges	Pharma API downstream, chemicals, food	GEA, FLSmidth, Bucher Unipektin	Sachin Industries; HLE Glascoat; Anup Engineering (centrifuges), GMM Pfaudler
<b>Services</b>	Aftermarket services, relining, spares	All process industries	OEM service arms (De Dietrich, Pfaudler global), specialist reliners	GMM Pfaudler; HLE Glascoat; Standard GL; Sachin Industries; ISGEC (service arm)

**Peer Comparison (Financials)**

Company name	M.Cap	EV	FY25 (P&L)						Return Ratios			Activity Ratios		Valuation	
			Revenue	EBITDA	OPM%	Adj PAT	PAT %	EPS	ROCE %	ROE%	RoA%	Asset turn (x)	WC turn (x)	P/E	EV/EBITDA
GMM Pfaudler	54,524.1	58,447.2	31,986.9	3,611.2	11.3%	1,006.3	3.1%	11.8	13.1%	6.6%	2.0%	1.0	4.2	54.2	16.2
<b>GLE</b>															
HLE Glascoat	34,228.3	39,070.0	10,275.9	1,409.3	13.7%	617.7	6.0%	6.8	12.5%	10.7%	5.0%	0.8	13.5	55.4	27.7
SGLT Ltd	35,533.5	35,120.0	6,259.7	1,197.0	19.1%	686.5	11.0%	3.2	23.8%	11.6%	8.5%	0.8	1.1	51.8	29.3
Sachin Industries Pvt Ltd**	-	-	2,005.3	257.9	12.9%	155.9	7.8%	-	25.5%	24.6%	10.2%	1.3	2.9	-	-
<b>Non-GLE</b>															
The Anup Engineering Ltd	46,080.9	46,210.0	7,328.0	1,652.0	22.5%	1,183.0	16.1%	59.1	22.2%	19.3%	12.8%	0.8	3.1	39.0	28.0
ISGEC Heavy Engineering Ltd	63,235.4	70,440.0	64,616.0	6,187.3	9.6%	3,557.0	5.5%	34.0	13.9%	12.3%	3.8%	0.8	4.3	17.8	11.4
Praj Industries Ltd	62,101.3	62,260.0	32,280.0	3,248.0	10.1%	2,189.0	6.8%	11.9	20.4%	15.8%	6.9%	1.1	6.8	28.4	19.2

Source: Sunidhi Research, Pvt Circle, Annual Reports (\*\*FY24 Data)

The comparable companies are Indian counterparts that compete with GMM Pfaudler in the GLE as well as non-GLE segments (such as heat exchangers, pressure vessels, reactors, mixing solutions).

**SWOT Analysis**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>GMM Pfaudler has a diversified manufacturing base across four continents, with 19 manufacturing facilities, and is well-positioned to act as a one-stop supplier for multiple manufacturing capex needs</li> <li>Strong product portfolio – acquired from Pfaudler, across GLE reactors, PTFE, and heavy engineered products. GMM can manufacture ultra-large vessels and containers (&gt; 120,000 liters)</li> <li>Stickiness in aftermarket services, re-glassing, spare parts, and field services provides recurring revenue.</li> <li>Technical know-how and specialized products, and compliance with industry standards, support premium pricing</li> </ul>	<ul style="list-style-type: none"> <li>The company has liabilities worth ~₹2,850 mn, categorized as pension liabilities to be as per the scheduled payout. These pension liabilities are unfunded and considered to be a part of the overall debt.</li> <li>The company has a higher tax % due to an inability to offset expenses against income in certain entities (e.g., Luxembourg), which has led to higher tax leakages.</li> <li>Close to 60% of revenue is from the Chemical and Pharmaceutical industries, which are cyclical in nature and are bound to impact the revenue of the company during weak cycles.</li> <li>Restructuring (leading to downsizing and shutdowns) leads to toll.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>The implementation of the US Biosecure Act, China+1 strategy, will lead to new capex announcements in pharma, chemical, and other heavy engineering industries, opening with sizable potential order-inflow for GMM Pfaudler in the mid-long term capex cycle.</li> <li>Rare-earth minerals/specialty materials — participation in high-value supply chains (battery, critical minerals processing) where corrosion-resistant and high-purity equipment is required (semiconductor fabs)</li> <li>Growth in non-GLE segments (heavy engineering &amp; mixing solutions) — cross-sell opportunities, higher ticket sizes, and diversification into industries with longer project cycles and higher margins.</li> <li>SEMCO acquisition – broadens product set and provides access to new customer accounts and geographies</li> <li>Saudi Arabian and Gulf Giga projects – downstream and upstream chemicals, water treatment</li> </ul>	<ul style="list-style-type: none"> <li>Raw material (such as stainless steel, nickel, and glass-enamel) price volatility will put a constraint on the company's near-term margins.</li> <li>Delay in implementation of the US Biosecure Act – may lead to lag in announcements by industry players and prolonged bidding cycles, deferring projects, which will lead to delayed revenue recognition and piling order backlog.</li> <li>Geopolitical volatility — trade policy shifts, sanctions, or major political frictions (affecting US, India, Middle East relations, or bilateral trade) could raise costs, local-content requirements, or restrict cross-border flows.</li> <li>Technology/substitution risk — alternatives to fluoropolymers or disruptive materials/regulatory bans (PFAS restrictions) may erode product advantage if not proactively addressed.</li> </ul>

Source: Company, Sunidhi Research



## Key Risks

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The following are the Key Risks that the business possesses:

1. Currency Risk
  - a. Exchange rate volatility. GMM Pfaudler faces exposure to multiple currencies (EUR, USD, CHF, INR). Volatility in these exchange rates impacts both revenue translation (since the contracts/orders are on a fixed price basis).
  - b. Ineffectiveness in hedging, especially for large export orders, may affect profitability.
2. Regulatory Risks –
  - a. Delay in the adoption of new US Biosecure standards or qualification processes can defer project awards in the pharma and biotech sectors.
  - b. The company's products cater to heavily regulated sectors (pharmaceuticals, chemicals, semiconductors). Stricter emission norms, PFAS (fluoropolymer) restrictions, or new environmental compliance requirements in the EU or U.S. could increase costs or restrict product usage.
3. Operational Risks
  - a. Complex, engineered-to-order projects entail high customization and long cycles; any supply-chain disruption or delay can defer revenue recognition and impact working capital.
  - b. Past one-off shutdown costs and ongoing integration of global subsidiaries (e.g., Germany, USA, China) pose risks of cost overruns, downtime, and productivity losses.
  - c. Dependence on specialty steel, glass, and fluoropolymer materials exposes margins to commodity price spikes or supply disruptions.
4. Compliance Risks (Governance)
  - a. Ongoing tax exposures, deferred obligations, and pension-related provisions could lead to financial outflows or restatements.
  - b. Operating across multiple regulatory regimes increases the complexity and cost of compliance with financial reporting, anti-bribery, and export control norms.
  - c. Historical SEBI proceedings and promoter-related disclosures (e.g., SLBM/insider-trading probe) highlight governance vulnerabilities and may attract reputational risk.
    - i. In October 2020, SEBI initiated a probe into possible insider trading ahead of an Offer For Sale (OFS) by GMM Pfaudler, triggered by large borrowings in the Stock Lending & Borrowing (SLB) segment ahead of the OFS announcement.
    - ii. In February 2020, SEBI imposed a fine of ₹13.5 lakh on 13 promoters of GMM Pfaudler for failure to comply with disclosure requirements under the SAST norms (e.g., disclosure obligations upon dividend record dates). The fine was imposed jointly and severally on the promoters (including entities like Millars Machinery Company Pvt Ltd, Skyline Millars Ltd, Uttarak Enterprises Pvt Ltd, and Pfaudler Inc.).



## Quarterly Performance

Quarterly Performance					(₹ Mn)
	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ
Revenue from Operations	7,946	7,852	1.2%	8,066	(1.5%)
Cost of Goods Sold	2,910	3,059	-4.9%	3,118	(6.7%)
Gross Profit/Contribution	5,035	4,793	5.1%	4,948	2%
Gross Profit Margin (%)	63.4%	61.0%		61.3%	
Employee Benefit Expense	2,339	2,231	4.8%	2,226	5%
% Rev	29.4%	28.4%		27.6%	
Labour Charges	219	231	-5.5%	343	(36.3%)
% Rev	2.7%	2.9%		4.3%	
Other Expenses	1,468	1,446	1.5%	1,547	(5.1%)
% Rev	18.5%	18.4%		19.2%	
EBITDA	1,010	885	14.1%	832	21%
EBITDA Margin (%)	12.7%	11.3%		10.3%	
Less: Depreciation & Amortization	358	324	10.2%	384	(7.0%)
Add: Other Income	93	100	-7.6%	(47)	
EBIT	745	661	12.7%	401	86%
Less: Finance Costs	429	250	71.6%	266	62%
Exceptional Items	-	-		(477)	
EBT	316	411	-23.2%	(341)	
Less: Taxes	215	173	24.3%	(62)	
PAT	102	239	-57.5%	(279)	(136.3%)
PAT Margin (%)	1.3%	3.0%		-3.5%	
Adj PAT (after minority, EI)	102	253	-59.8%	207	(51.0%)

### Management Commentary (Q1FY26)

#### Key Highlights

1. Consolidated revenue stood at ₹ 7,945 mn, up ~1.2% YoY, led by strong India performance offset by muted global demand.
2. EBITDA improved to ₹ 1,009 mn, with a margin of 12.7%, driven by operational efficiencies and cost control.
3. PAT declined sharply to ₹ 100 mn (-54.5% YoY) due to higher finance costs (restatement of Foreign currency borrowings)

#### Order backlog

1. Order intake grew 14% YoY / 52% QoQ to ₹ 10,040 mn, reflecting continued traction in pharma and chemical sectors.
2. Order backlog reached an all-time high of ₹ 19,060 mn, providing visibility for the next 3–4 quarters.
3. Management remains confident of sustained order inflow, supported by capex revival in India and strong demand for corrosion-resistant equipment.

#### Capital Expenditure

1. Capex during the quarter stood at ~₹ 280 mn, largely for capacity enhancement and modernization at the Gujarat facility.
2. FY26 full-year capex guidance maintained at ₹ 900–1,000 mn. (2-3% of Revenue)
3. No major greenfield capex as guided by the management (for next 2 years)

#### Profitability profile

1. Consolidated EBITDA margin at 12.7% vs 11.5% YoY; standalone margins at 15.7%, led by India operations.
2. Margin improvement attributed to product mix optimization, cost efficiencies (EBITDA transformation program in India), and higher capacity utilization in India.
3. Global operations continue to face pricing pressure and weaker volumes; management expects gradual recovery from H2FY26.



**Acquisitions**

1. Signed agreement to acquire 100% of SEMCO Tecnologia em Processos Ltda. (Brazil) via subsidiary Pfaudler Ltda. The acquisition strengthens GMM's mixing technologies platform and expands its presence in South America. Integration expected to be margin accretive from FY27 onwards.
2. Additional ~EUR 10 mn – debt to fund the acquisition

**Financial & Operational highlights**

1. Working capital remained elevated due to higher receivables from overseas subsidiaries.
2. Management will focus on improving cash conversion cycle and optimizing global supply chain.
3. Despite near-term headwinds, the company remains confident of double-digit revenue growth and margin recovery in H2FY26.
4. Poland plant is up and running. Now the production from high-cost geographies is being shifted to Poland (from Switzerland and France)
5. Capacity utilization – India (GLE – 80%, non-GLE – 90% and heavy engineering – 80%). China has lower capacity utilization (50-70%)
6. Euro appreciation vs USD (8%) led to ₹198.4 mn exchange loss (unrealized, non-cash).

**Organization changes**

1. India CEO and CFO have exited the company. The management is reviewing organizational structure as part of global transformation
2. The company plans to move from regional to global alignment, with focus on cost, innovation, automation, and talent.



## Financial Highlights

Valuations & Ratios								(₹ Mn)
Year End-March	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	
<b>Data Per Share</b>								
A-EPS	58.3	41.9	39.0	22.4	28.2	37.1	53.7	
CEPS	-	41.1	63.2	84.1	62.3	76.7	79.9	
BVPS	457.8	181.4	216.0	229.1	255.3	290.4	342.1	
DPS (Adjusted)	4.0	2.0	2.0	2.0	2.0	2.0	2.0	
<b>Valuation (x)</b>								
P/E	20.9	29.0	31.1	54.3	43.1	32.8	22.6	
P/BV	2.7	6.7	5.6	5.3	4.8	4.2	3.6	
EV/EBITDA	20.6	13.6	12.3	16.2	13.5	12.0	10.2	
Dividend yield (%)	0.3	0.2	0.2	0.2	0.2	0.2	0.2	
EBITDA Margin (%)	11.2	13.6	13.8	11.3	12.6	13.2	14.0	
PAT Margin (%)	3.0	6.7	5.0	1.5	3.7	4.5	5.9	
RoE (%)	11.3	26.2	17.6	4.8	11.0	12.8	15.7	
RoCE (%)	12.1	20.3	18.4	13.1	14.7	16.6	19.6	
<b>Leverage Ratios (x)</b>								
Total D/E	1.0	1.2	0.9	0.8	0.8	0.5	0.3	
Net Debt/Equity	0.5	0.7	0.6	0.4	0.4	0.3	0.2	
Interest Coverage	6.4	5.5	3.6	2.4	3.2	4.1	6.6	
Current ratio	1.6	1.5	1.6	1.7	1.6	1.5	1.6	
<b>Growth Ratios (%)</b>								
Topline growth		25.1	8.5	-7.2	7.4	7.5	10.4	
EBITDA growth		51.9	10.4	-24.1	19.5	13.3	17.0	
PAT growth (Adj)		121.3	-6.8	-42.7	26.0	31.5	44.7	
<b>Turnover Ratios (x)</b>								
F.A Turnover (x)	4.6	5.1	5.5	5.3	4.4	4.8	5.4	
Working Capital Days	55	52	58	63	61	67	71	
Inventory Days	96	89	66	62	66	68	70	
Debtors Days	51	50	46	44	46	48	50	
Payable days	56	62	43	46	46	47	48	
Cash Conversion Cycle	91	77	69	60	66	69	72	
<b>Profit &amp; Loss Statement</b>								
(₹ Mn)								
Year End-March	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	
Revenues	25,406	31,776	34,465	31,987	34,359	36,949	40,779	
Op. Expenses	22,567	27,464	29,706	28,376	30,045	32,062	35,061	
EBITDA	2,839	4,312	4,758	3,611	4,314	4,887	5,718	
Other Income	67	517	200	304	275	296	326	
Depreciation	1,326	1,195	1,503	1,444	1,598	1,831	1,987	
EBIT	1,580	3,634	3,456	2,471	2,991	3,351	4,057	
Interest	246	666	948	1,032	947	826	611	
PBT (incl. EI)	1,334	2,752	2,508	963	2,044	2,525	3,446	
Tax	580	617	802	471	777	859	1,034	
Reported PAT	754	2,135	1,707	492	1,267	1,667	2,412	
Minority	(97)	469	(48)	(38)	-	-	-	
Adj PAT (after Minority, EI)	851	1,666	1,755	1,006	1,267	1,667	2,412	
Reported EPS	58.3	37.1	39.0	11.8	28.2	37.1	53.7	
Adj EPS	58.3	41.9	39.0	22.4	28.2	37.1	53.7	
<b>Balance Sheet</b>								
(₹ Mn)								
Year End-March	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	
<b>Equity and Liabilities</b>								
Share Capital	29	90	90	90	90	90	90	
Reserves and Surplus	5,242	7,950	9,554	10,138	11,318	12,896	15,221	
Minority	1,413	112	64	68	68	68	68	
<b>Total Shareholders' funds</b>	<b>6,684</b>	<b>8,153</b>	<b>9,708</b>	<b>10,296</b>	<b>11,476</b>	<b>13,054</b>	<b>15,379</b>	
Long Term Borrowings	4,496	6,409	5,014	4,336	4,036	2,406	776	
Lease Liabilities (NC)	1,094	1,432	1,555	1,596	1,498	1,429	1,392	
Other Non-current Liabilities	4,294	3,645	3,811	3,495	3,365	3,235	3,105	
<b>Current Liabilities</b>								
Short Term Borrowings	553	1,560	2,107	2,170	2,943	2,923	2,853	
Trade Payables	3,912	5,367	4,025	4,006	4,330	4,758	5,363	
Other CL/Short Term Prov.	6,243	6,980	5,517	5,132	5,275	5,501	5,851	
<b>Grand Total</b>	<b>27,276</b>	<b>33,545</b>	<b>31,736</b>	<b>31,031</b>	<b>32,923</b>	<b>33,306</b>	<b>34,720</b>	
<b>Assets</b>								
<b>Non-Current Assets</b>								
PPE (incl. CWIP)	3,943	4,255	4,371	3,781	5,511	5,539	5,559	
RoU / IP / Intangible	5,542	6,518	7,256	6,898	6,384	5,861	5,328	
Goodwill	662	1,493	1,153	1,091	1,091	1,091	1,091	
Other Non-current Assets	242	581	440	423	423	423	423	
<b>Current Assets</b>								
Inventories	6,695	7,709	6,254	5,403	6,213	6,884	7,821	
Trade Receivables	3,562	4,355	4,328	3,868	4,330	4,859	5,586	
Cash and Cash Equivalents	2,906	3,115	3,196	4,448	3,619	2,947	2,490	
Other Current Assets	3,723	5,519	4,738	5,119	5,353	5,702	6,423	
<b>Grand Total</b>	<b>27,276</b>	<b>33,545</b>	<b>31,736</b>	<b>31,031</b>	<b>32,923</b>	<b>33,306</b>	<b>34,720</b>	
<b>Cash flow Statement</b>								
Year End-March	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E		
PBT	2,752	2,508	963	2,044	2,525	3,446		
Depreciation	1,195	1,503	1,444	1,598	1,831	1,987		
Interest	666	948	1,032	947	826	611		
Others	170	73	339	-	-	-		
<b>OCF before Working Capital</b>	<b>4,782</b>	<b>5,032</b>	<b>3,778</b>	<b>4,589</b>	<b>5,182</b>	<b>6,044</b>		
Inc/dec in Working Capital	(352)	140	1,292	(947)	(772)	(1,059)		
Inc/dec in other items	(1,966)	(1,531)	(818)	(64)	(106)	(361)		
Taxes paid	(617)	(802)	(471)	(777)	(859)	(1,034)		
<b>Net CF From Operations</b>	<b>1,848</b>	<b>2,839</b>	<b>3,781</b>	<b>2,801</b>	<b>3,446</b>	<b>3,590</b>		
Capex	(1,553)	(869)	(629)	(2,814)	(1,337)	(1,474)		
Others	(1,559)	552	106	-	-	-		
<b>CF from Investing Activities</b>	<b>(3,111)</b>	<b>(317)</b>	<b>(523)</b>	<b>(2,814)</b>	<b>(1,337)</b>	<b>(1,474)</b>		
Change in Borrowings	2,920	(849)	(614)	473	(1,650)	(1,700)		
Payment of Lease liabilities	448	183	58	(125)	(87)	(46)		
Interest Paid	(666)	(948)	(1,032)	(947)	(826)	(611)		
Dividend	(90)	(89)	(88)	(88)	(88)	(88)		
Others	(590)	(813)	(182)	-	-	-		
<b>CF from Fin Activities</b>	<b>1,299</b>	<b>(2,440)</b>	<b>(2,006)</b>	<b>(816)</b>	<b>(2,780)</b>	<b>(2,575)</b>		
Net inc/(dec) in cash	35	82	1,252	(829)	(671)	(458)		
Opening Cash	2,906	3,115	3,196	4,448	3,619	2,947		
<b>Closing Cash</b>	<b>3,115</b>	<b>3,196</b>	<b>4,448</b>	<b>3,619</b>	<b>2,947</b>	<b>2,490</b>		

Source: Company, Sunidhi Research



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Analyst / Relative Ownership	No

## Sunidhi’s Rating Rationale

The price target for a large cap stock represents the value the analyst expects the stock to reach over next 12 months. For a stock to be classified as **Outperform**, the expected return must exceed the local risk-free return by at least 5% over the next 12 months. For a stock to be classified as **Underperform**, the stock return must be below the local risk-free return by at least 5% over the next 12 months. Stocks between these bands are classified as **Neutral**.

### For Mid & Small cap stocks from 12 months perspective

BUY	Absolute Return >20%
HOLD	Absolute Return Between 0-20%
SELL	Absolute Return Negative

Apart from Absolute returns our rating for a stock would also include subjective factors like macro environment, outlook of the industry in which the company is operating, growth expectations from the company vis a vis its peers, scope for P/E re-rating/de-rating for the broader market and the company in specific.

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