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28th November, 2025

INITIATING COVERAGE

SHILCHAR TECHNOLOGIES LTD

PRECISION TRANSFORMERS FOR SMARTER GRID

WAYA FINANCIAL TECHNOLOGIES PRIVATE LIMITED

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SHILCHAR TECHNOLOGIES LIMITED

Transformers

BUY

Executive Summary

Rating: BUY | Target Price: Rs 5,800 | Upside: 39%

Shilchar Technologies Limited is a leading manufacturer of distribution transformers and power transformers, catering to solar/renewable energy, industrial, utility, and export markets from its integrated facility in Vadodara, Gujarat. In Q2 FY26 (ended September 30, 2025), the company delivered revenue of Rs 171.28 crore (+31.19% YoY), EBITDA of Rs 53.60 crore (+30.96% YoY) with 31.29% margin, and PAT of Rs 45.94 crore (+40.37% YoY). H1 FY26 revenue reached Rs 330.03 crore (+39.30% YoY) with PAT of Rs 87.43 crore (+54.16% YoY). The company operates at 90-95% capacity utilization with order book of ~Rs 300 crore and has announced Rs 90 crore capex to double capacity from 7,500 MVA to 14,000 MVA by April 2027, positioning for Rs 1,400-1,500 crore revenue potential.

Investment Highlights:

1. **Industry-leading margins**: EBITDA 31.29% and PAT 26.82% in Q2 FY26 vs sector average 15-18%; reflects pricing power and operational excellence
2. **Debt-free balance sheet with D/E of 0.06x; ROCE 70.78% and ROE 42.34% (FY25)**—among highest in capital goods sector
3. **Capacity expansion**: Rs 90 crore investment to double MVA capacity to 14,000 MVA by Apr 2027; enables 220 kV transformer entry
4. **Secular growth tailwinds**: India transformer market USD 3 Bn growing at 8% CAGR; RDSS Rs 3 lakh crore allocation; 500 GW renewable target by 2030
5. **Export resilience**: 50% export mix maintained despite 50% US tariff from Aug 2025; customers absorbing duties due to quality/reliability

Main Risks:

1. **US tariff impact**: 50% tariff on transformers from Aug 2025; US exports (12-15% revenue) at risk if customers find alternatives
2. **Capacity constraints**: Current 90-95% utilization limits growth until Apr 2027; revenue capped at Rs 750-800 crore for FY26-27
3. **Promoter stake reduction**: Alay Shah sold 1.9% stake in Oct 2025; promoter holding declined to 62.1%
4. **Commodity price volatility**: Copper and CRGO steel prices impact margins; 30%+ EBITDA margin sustainability uncertain

CMP	₹ 4162
Target Price (1Y)	₹ 5800
Upside	39%
Stop Loss	₹ 3500

Company   Index (BSE 500)

Trade Information	
Volume	10,045
Total Market Cap (₹cr)	4784
Shares Outstanding (cr)	1.1440
52-Week High	₹ 6125
52-Week Low	₹ 2804

Shareholding %	Sep-25	Nov-25
Promoters	64.0%	62.1%
Pledged		
FIIs	2.7%	2.8%
DIIs	0.3%	1.5%
Government		
Public	32.9%	33.6%

Business Description

Shilchar Technologies Limited, incorporated in **1985** and headquartered in **Vadodara**, **Gujarat**, is a specialized manufacturer of distribution transformers and power transformers serving diverse end-markets including solar/renewable energy, industrial, utility, and export customers. The company operates an integrated manufacturing facility at Gavasad, Vadodara with current capacity of 7,500 MVA.

Segment-wise Revenue Breakdown (FY25):

Segment	Revenue Contribution	Products	Key Customers
Solar/Renewable	40-45%	Inverter duty transformers, solar project transformers	EPC players, IPPs
Industrial	20-25%	Distribution transformers (11-33 kV)	Manufacturing, data centers
Utility/Discoms	15-20%	Distribution transformers	State electricity boards
Export	45-50%	Custom transformers (US, Middle East, Europe)	US utilities, solar developers

Geographic Revenue Mix (FY25): Exports ~50% | Domestic ~50%

Manufacturing Capacity:

Facility	Location	Current Capacity	Expansion Target	Timeline
Gavasad Plant	Vadodara, Gujarat	7,500 MVA	14,000 MVA (+87%)	April 2027

Investment: Rs 90 crore (internal accruals); enables entry into 220 kV class transformers up to 100 MVA

Product Range:

- **Distribution transformers**: 25 kVA to 5,000 kVA (11 kV to 33 kV class)
- **Power transformers**: Up to 50 MVA (currently); expanding to 100 MVA (220 kV class)
- **Specialty**: Inverter duty, solar, wind, amorphous core, CRGO transformers

Competitive Advantages:

- **Mass Customization**: Ability to deliver custom solutions at scale for diverse customer specifications
- **Quality Certification**: IS, IEC, IEEE certifications; approved vendor for major utilities and EPCs
- **Debt-Free Operations**: Zero long-term debt enables aggressive capacity expansion from internal accruals
- **Export Track Record**: 15+ years export experience to US, Middle East, Europe; customer stickiness despite tariffs

Industry & Market Context

The India transformer market is **valued at USD 3 billion (Rs 25,000 crore) in 2025**, projected to reach **USD 4.47 billion (Rs 37,000 crore) by 2030 at 8.33% CAGR**. Distribution transformers account for 59.45% market share, growing at 8.98% CAGR-the fastest segment.

Key Growth Drivers:
- **RDSS Scheme**: Rs 3.03 lakh crore allocation for distribution infrastructure; Rs 12,585 crore in FY25 alone (61% of Power Ministry budget)
- **Renewable Integration**: India targets 500 GW non-fossil capacity by 2030; Q1 FY26 added record 12.3 GW (10.6 GW solar)
- **Grid Modernization**: 123,577 circuit km transmission expansion planned; AT&C loss reduction mandate (12-15% target)
- **Data Center Boom**: **15-20% annual growth in data center** capacity driving captive transformer demand

Competitive Landscape:

Company	Market Cap (Rs Cr)	FY25 Revenue	EBITDA Margin	Key Segments
Transformers & Rectifiers (TARIL)	8,165	Rs 2,017 Cr	16%	Power transformers
Voltamp Transformers	8,474	Rs 1,934 Cr	19%	Distribution, power
Shilchar Technologies	4,787	Rs 623 Cr	30%	Distribution, solar
Indo Tech Transformers	1,810	Rs 612 Cr	14%	Power transformers

Shilchar commands significant margin premium (30% vs industry 14-19%) reflecting operational excellence and niche solar/export positioning.

Competitive Position & Moat

Identified Moats (Durability Assessment):

Moat	Description	Durability
Operational Excellence	30%+ EBITDA margin vs 14-19% industry; 70% ROCE reflects superior execution	High
Export Relationships	15+ year track record; customers absorbing 50% US tariff due to quality/reliability	Medium-High
Solar/Renewable Focus	Early mover in inverter duty transformers; 40-45% revenue from renewables	Medium

Quantified Competitive Advantages:

- **Margin Leadership**: EBITDA margin 31.29% (Q2 FY26) vs TARIL 11%, Voltamp 19%—nearly 2x premium
- **Return Metrics**: ROCE 70.78%, ROE 42.34% (FY25)—industry-leading by wide margin
- **Asset Efficiency**: Fixed asset turnover 10.56x (FY25) vs industry average 3-4x
- **Debt-Free Status**: D/E 0.06x; zero long-term debt enables organic growth funding

Weaknesses & Competitive Threats:

- **Smaller scale vs TARIL** (4x larger revenue); limits large project competitiveness
- **US tariff risk** (50% from Aug 2025); 12-15% revenue exposed
- **Capacity constraints until Apr 2027**; capped growth potential
- **Single manufacturing facility**; geographic concentration risk
- **Promoter stake dilution** concerns (1.02% sold in Oct 2025)

Recent Developments & Catalysts

Q2 FY26 Financial Performance (Sep 30, 2025):

Metric	Q2 FY26	Q1 FY26	Q2 FY25	QoQ	YoY
Revenue (Rs Cr)	171.28	158.75	130.56	+7.89%	+31.19%
EBITDA (Rs Cr)	53.60	52.41	40.92	+2.27%	+30.96%
EBITDA Margin	31.29%	33.01%	31.35%	-172 bps	-6 bps
PAT (Rs Cr)	45.94	41.49	32.73	+10.73%	+40.37%
PAT Margin	26.82%	26.14%	25.07%	+68 bps	+175 bps
EPS (Rs)	40.15	36.27	28.61	+10.70%	+40.34%

H1 FY26 Highlights: Revenue Rs 330.03 crore (+39.30% YoY); EBITDA Rs 106.01 crore (+36.47% YoY) at 32.12% margin; PAT Rs 87.43 crore (+54.16% YoY); seventh consecutive quarter of YoY growth.

Strategic Initiatives:

- **Capacity Expansion (Sep 2025):** Rs 90 crore investment to expand from 7,500 MVA to 14,000 MVA by April 2027; enables 220 kV class entry
- **US Tariff Response**: 50% tariff effective Aug 27, 2025; **customers continue ordering** and absorbing duties; no order cancellations reported

Management Guidance:

- **FY26 Revenue**: Rs 750 crore (+20% YoY)
- **FY27 Revenue:** Rs 900 crore (+20% YoY)
- **FY28 Revenue:** Rs 1,400-1,500 crore (new capacity at 60-70% utilization)
- **EBITDA Margin**: 31-33%; PAT Margin: ~25%

Management & Governance

Shilchar Technologies is led by the promoter-family member Alay J. Shah as Chairman & Managing Director, with his son Aashay A. Shah as Executive Director, supported by an independent board and a professional CFO.

Promoter family (Alay & Aashay Shah)

- **Alay J. Shah (CMD)** has a Bachelor of Science in Electronics Engineering Technology and around 35 years of experience in transformer design, production, finance and marketing, effectively growing Shilchar since the 1990s into a niche power and distribution transformer player with strong exports.
- **Aashay A. Shah (Executive Director)** holds a B.Sc. in Electrical Engineering from the University of Illinois Urbana-Champaign and an MBA from Cass Business School, London, and has 8+ years of experience across marketing, production, procurement and design roles within Shilchar.

Next generation / senior operations

- **Aatman A. Shah (Manager – Operations)** has a B.Sc. in Mechanical Engineering from the University of Illinois Urbana-Champaign and about 5 years of experience, handling operations, marketing, production, procurement and design, indicating a deeper second-generation involvement in day-to-day execution.
- Beyond the promoter family, functional leadership in business development, international marketing, purchase, EHS/HR/admin and service is handled by long-tenured managers such as Ashok Bhambhani (Head – Business Development) and others, giving operational depth below the board.

Board of directors and key executives

- The board comprises Alay J. Shah (CMD) and Aashay A. Shah (ED) along with several independent non-executive directors: Nandini Tandon, Zarksis Parabia, Rajesh Varma and Rakesh Dhanraj Bansal, providing external oversight and governance diversity.
- On the executive side, Prajesh K. Purohit serves as Chief Financial Officer and Vishnupriya Civichan as Company Secretary & Compliance Officer, bringing professional financial control and compliance capabilities to complement the promoter-driven leadership.

Shareholding Pattern (Sep 30, 2025):

Category	Holding (%)	Change from Jun 2025
Promoters (Shah Family)	64.01%	-1.89% (Alay Shah sold 1.02%)
FIIs	2.73%	+0.60%
DIIs	0.33%	+0.20%
Retail & Others	32.93%	+1.39%

Key Promoters: Alay Jitendra Shah (25.58%), Shilpa Alay Shah (10.54%), Aatman Alay Shah (10.34%), Aashay Alay Shah (10.34%)

Governance Assessment: 7/10

- Strengths: Debt-free balance sheet; consistent dividend (Rs 12.5/share FY25); transparent guidance; high promoter alignment
- Concerns: Recent promoter stake sale (1.02% in Oct 2025); family-dominated board; small board size (5 members)

Financial Analysis

Historical & Projected Performance (Standalone, Rs Crore):

Metric	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	280	397	623	750	950	1,300
Growth (%)	56.5	41.7	56.9	20.4	26.7	36.8
EBITDA	55	113	185	240	304	416
EBITDA Margin (%)	19.0	28.5	29.6	32.0	32.0	32.0
PAT	43	92	147	195	245	335
PAT Margin (%)	15.0	23.1	23.6	26.0	25.8	25.8
EPS (Rs)	37.8	80.6	128.8	170.4	214.0	292.8
ROE (%)	50.1	43.8	42.3	40.0	38.0	40.0
ROCE (%)	54	75	71	58.0	52.0	55.0

Quarterly Performance Trend:

Quarter	Revenue (Rs Cr)	YoY (%)	PAT (Rs Cr)	EBITDA Margin
Q2 FY25	130.56	+23.0%	32.73	31.35%
Q3 FY25	155.33	+30.3%	34.68	28.10%
Q4 FY25	231.82	+120.0%	55.44	30.70%
Q1 FY26	158.75	+48.4%	41.49	33.01%
Q2 FY26	171.28	+31.2%	45.94	31.29%
H1 FY26	330.03	+39.3%	87.43	32.12%

Balance Sheet Strength (Mar 2025):

Metric	**FY25**	**FY24**	**FY23**
Net Worth (Rs Cr)	347	210	121
Total Debt (Rs Cr)	21	6	3
Debt/Equity	0.06	0.03	0.02
Cash & Equivalents (Rs Cr)	45	25	15
Fixed Asset Turnover	10.56x	8.20x	5.50x
Book Value/Share (Rs)	303	275	159

Cash Flow Analysis (Rs Crore):

Metric	**FY23**	**FY24**	**FY25**	**FY26E**
Operating Cash Flow	39	76	40	150
Capex	(5)	(10)	(18)	(50)
Free Cash Flow	34	66	22	100
CFO/EBITDA (%)	64%	58%	22%	63%

FY25 CFO lower due to working capital build; FY26E recovery expected

Valuation

Current Metrics (Nov 28, 2025):

Metric	Value
CMP	Rs 4,162
Market Cap	Rs 4,784 Cr
PE (TTM)	26.7x
PB	11.3x
EV/EBITDA (FY26E)	19.5x
52W High/Low	Rs 6,125 / Rs 2,804

Peer Comparison:

Company	Market Cap (Rs Cr)	P/E (TTM)	EV/EBITDA	ROE (%)	ROCE (%)
Shilchar Technologies	4,784	26.7	19.5	42.3	70.8
TARIL	8,160	33.0	20.5	23.4	28.0
Voltamp Transformers	8,344	25.5	18.2	21.7	29.1
Indo Tech Trans	1,810	21.5	14.6	25.7	37.8

Shilchar trades at discount to TARIL (27x vs 33x PE) despite 2x higher ROE (42% vs 23%) and 2.5x higher ROCE (71% vs 28%). Premium to Indo Tech justified by superior margins and return metrics. Re-rating potential exists as capacity expansion delivers growth.

Target Price Scenarios (12-Month, FY27E Basis):

Scenario	FY27E EPS	PE	Target (Rs)	Upside	Probability
Bear	Rs 180	25x	4,500	+8%	20%
Base	Rs 214	28x	5,992	+44%	65%
Bull	Rs 243	30x	7,300	+74%	15%
Weighted Avg	-	-	Rs 5,785	+39%	100%

Detailed Investment Rationale

Bull Case Pillars

1. Industry-Leading Margins Reflect Durable Competitive Advantage
Shilchar's EBITDA margin of 31.29% (Q2 FY26) is nearly 2x industry average (15-18%), sustained across 8+ quarters despite volume expansion. **Margin leadership** driven by: (i) **premium pricing** from quality/certification; (ii) **operational efficiency** (10.56x asset turnover); (iii) **export mix** (higher margins); (iv) **minimal debt** (zero interest cost). **ROCE of 70.78%** (FY25) validates capital efficiency—every Rs 100 crore invested generates Rs 71 crore EBIT.

2. Capacity Expansion Unlocks Multi-Year Growth
Rs 90 crore investment to double capacity from 7,500 MVA to 14,000 MVA by April 2027 unlocks Rs 1,400-1,500 crore revenue potential (2x current). Expansion enables: (i) **entry into 220 kV class transformers (100 MVA);** (ii) **higher-value product mix**; (iii) **reduced capacity constraints limiting FY26-27 growth**. At 70% utilization in FY28, revenue potential exceeds Rs 1,000 crore.

3. Secular Industry Tailwinds Provide Multi-Year Visibility
India transformer market growing at 8%+ CAGR driven by: RDSS Rs 3 lakh crore allocation; 500 GW renewable target requiring grid modernization; data center boom; export opportunities as US/Europe face domestic shortages. Shilchar's solar/renewable focus (40-45% revenue) positions it at industry's fastest-growing segment.

4. Valuation Gap vs Peers Offers Re-Rating Potential
Trading at 27x PE vs TARIL at 60x despite 2.5x higher ROE and 4.7x higher ROCE. As capacity expansion delivers FY28E revenue of Rs 1,300+ crore (vs Rs 623 crore FY25), stock should re-rate toward peers. Even at 30x FY27E EPS of Rs 214, target price is Rs 6,420 (+54% upside).

Bear Case Risks

1. US Tariff Risk Could Impact Export Business
50% tariff on transformers from Aug 2025 exposes 12-15% revenue to customer switching risk. While current customers absorbing duties, prolonged high tariffs could encourage domestic US sourcing or alternative suppliers (Mexico, Vietnam). Loss of US business would impact Rs 90-110 crore revenue annually.

2. Capacity Constraints Limit Near-Term Growth
Current 90-95% utilization caps FY26-27 revenue at Rs 750-950 crore despite strong demand. New capacity operational only April 2027; any delays would extend constraints. Competitors with available capacity could capture market share during this period.

3. Valuation Requires Continued Execution
At 27x TTM PE and 13.6x PB, stock prices in growth expectations. Stock down 32% from 52W high of Rs 6,125; further correction possible if FY26 revenue misses Rs 750 crore target or margins compress below 30%. Promoter stake sale (1.02% in Oct 2025) adds sentiment overhang.

Key Tracking Points

Q3 FY26 Metrics (Oct-Dec 2025):

- Revenue Target: Rs 180-200 crore (+30-45% YoY)
- EBITDA Margin: 30-32%
- Capacity Utilization: 90-95%
- US Export Orders: Monitor for cancellations/deferrals

FY26 Full-Year Validation:

- Revenue Achievement: Rs 750 crore (management guidance)
- EBITDA Margin: 31%+ sustained
- PAT: Rs 190-200 crore (+30-35% YoY)
- Capex Progress: Rs 90 crore expansion on track

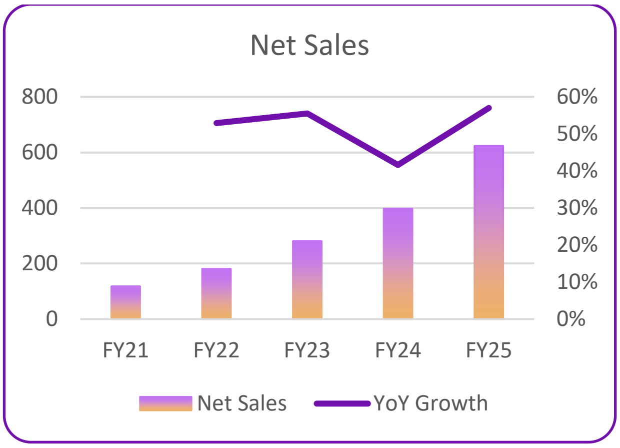
FY27-28 Strategic Milestones:

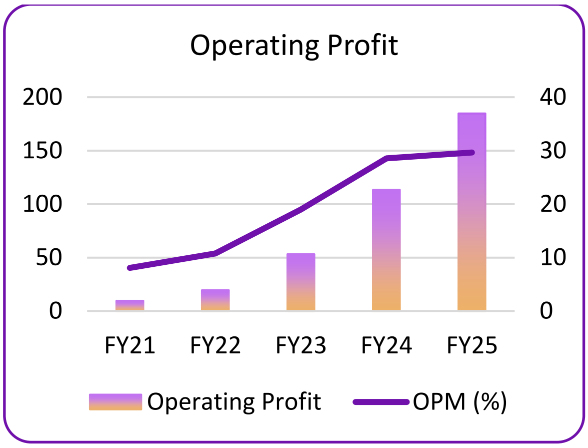
- FY27 Revenue: Rs 900-950 crore (+20-27% YoY)
- Capacity Expansion: 14,000 MVA operational by April 2027
- 220 kV Product Launch: First orders for 100 MVA transformers
- Export Diversification: Middle East, Europe contribution increase
- FY28 Revenue: Rs 1,300+ crore (70%+ capacity utilization)

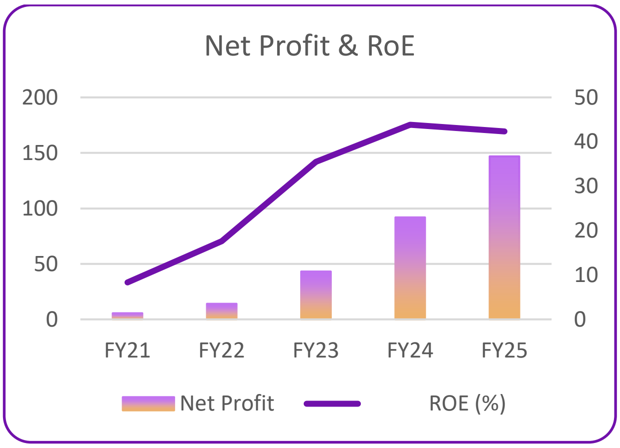
Red Flags (Thesis Invalidation):

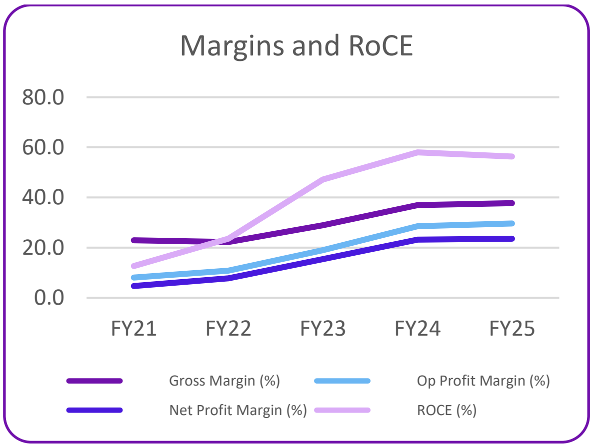
- FY26 Revenue <Rs 680 crore (>10% miss)
- EBITDA Margin <28% for 2+ quarters
- US export revenue decline >30% YoY
- Capacity expansion delay beyond Q2 FY28
- Promoter stake reduction below 60%

Key Metrics


Net Sales
800
600
400
200
0
60%
50%
40%
30%
20%
10%
0%
FY21
FY22
FY23
FY24
FY25
Net Sales
YoY Growth


Operating Profit
200
150
100
50
0
40
30
20
10
0
FY21
FY22
FY23
FY24
FY25
Operating Profit
OPM (%)


Net Profit & RoE
200
150
100
50
0
50
40
30
20
10
0
FY21
FY22
FY23
FY24
FY25
Net Profit
ROE (%)


Margins and RoCE
80.0
60.0
40.0
20.0
0.0
FY21
FY22
FY23
FY24
FY25
Gross Margin (%)
Op Profit Margin (%)
Net Profit Margin (%)
ROCE (%)

Financial Snapshot

Profit & Loss Statement (INR crs.)	FY21	FY22	FY23	FY24	FY25
Net Sales	**118**	**180**	**280**	**397**	**623**
YoY Growth		53%	56%	42%	57%
Operating Expenses	108	161	227	284	438
Increase/Decrease in Stock	-5	-5	10	-6	-12
Raw Material	96	145	190	256	400
Material Cost (%)	77	78	71	63	62
Other Manufacturing Expenses	5	6	7	10	16
Employee Cost	7	8	12	14	20
Selling and Distribution Expenses	2	3	3	3	5
Power & Fuel Cost	1	1	1	1	1
General and Administration Expenses	1	1	2	2	3
Miscellaneous Expenses	2	2	3	3	5
Operating Profit	**9**	**19**	**53**	**113**	**185**
Other Income	2	3	8	13	16
OPM (%)	**8**	**11**	**19**	**29**	**30**
Interest	2	1	1	0	0
Depreciation and Amortization	3	3	2	3	3
Profit Before Taxation & Exceptional Items	7	19	58	123	197
Exceptional Income / Expenses					
Profit Before Tax	**7**	**19**	**58**	**123**	**197**
Provision for Tax	2	5	15	31	51
Profit After Tax	**6**	**14**	**43**	**92**	**147**
Extra items					
Minority Interest					
Share of Associate					
Net Profit	**6**	**14**	**43**	**92**	**147**
Number of shares (Crs)	0.38	0.38	0.38	0.76	0.76
Dividend Payout Ratio (%)	10	11	9	10	6

Balance Sheet (INR crs.)	FY21	FY22	FY23	FY24	FY25
Assets	**107**	**146**	**178**	**292**	**490**
Non-Current Assets	**38**	**37**	**40**	**46**	**66**
Gross Block	47	48	52	56	78
Less: Accumulated Depreciation	10	12	14	16	20
Less: Impairment of Assets					
Net Block	37	35	38	40	58
Lease Adjustment A/c					
Capital Work in Progress		0	0	5	
Long Term Investments	0	1			
Long Term Loans & Advances	0	1	0	2	2
Other Non Current Assets	2	3	3	2	7
Current Assets	**68**	**106**	**136**	**244**	**422**
Inventory	27	32	23	60	93
Accounts Receivable	31	69	92	94	229
Short Term Investments	1		7	20	54
Cash & Bank Balances	2	1	9	60	37
Other Current Assets	1	1	1	3	2
Short Term Loans and Advances	5	4	3	7	7
Liabilities	**107**	**146**	**178**	**292**	**490**
Shareholders Funds	**66**	**80**	**121**	**210**	**347**
Share Capital	4	4	4	8	8
Share Warrants					
Reserves	63	76	118	202	339
Non Current Liabilities	**8**	**6**	**3**	**3**	**4**
Secured Loans	5	3			
Unsecured Loans					
Deferred Tax Assets/Liabilities	2	2	2	2	2
Other Long Term Liabilities	0	0	0	0	0
Long Term Provisions	1	1	1	1	1
Current Liabilities	**33**	**60**	**53**	**80**	**139**
Accounts Payable	28	36	36	55	108
Short Term Loans		12			
Other Current Liabilities	5	12	15	22	21
Short Term Provisions	0	1	2	3	10

Cashflow Statement (INR cr.)	FY21	FY22	FY23	FY24	FY25
Cash from Operating Activity	**10**	**-6**	**39**	**76**	**40**
Profit Before Tax	7	19	58	123	197
Adjustments	4	4	3	0	2
OCF Before Working Capital	11	23	61	123	199
Working Capital Changes	0	-25	-6	-17	-116
Taxes Paid	-1	-4	-15	-30	-43
Cash from Investing Activity	**-1**	**-1**	**-12**	**-23**	**-48**
Net Fixed Assets Purchased	0	-2	-5	-10	-18
Fixed Assets Purchased	0	-2	-6	-10	-18
Fixed Assets Sold	0		0	0	0
Investment Purchased	-1		-7	-13	-33
Investment Sold		1			
Interest Recieved	0	0	0	1	4
Dividends Recieved					
Subsidiary Investments					
Cash from Financing Activity	**-10**	**6**	**-19**	**-29**	**5**
Proceeds From Shares					
Net Long Term Borrowings	-7	6	-3		
Proceeds From Borrowings		9			
Repayment From Borrowings	-7	-3	-3		
Interest Paid	-2	-1	-1	0	0
Dividend Paid	0	-1	-2	-4	-10
Net Cash Flow	**-1**	**-1**	**9**	**25**	**-4**
Opening Cash & Cash Equivalents	2	1	0	9	33
Effect of FX					
Closing Cash & Cash Equivalents	1	0	9	33	30
Net Capex (est)	**0**	**2**	**5**	**10**	**18**
Free Cash Flow (est)	**10**	**-9**	**34**	**66**	**21**

Ratios	FY21	FY22	FY23	FY24	FY25
Operational Ratios					
Quick Ratio	1.2	1.2	2.1	2.3	2.4
Current Ratio	2.1	1.8	2.6	3.1	3.0
Interest Coverage Ratio	4.3	18.8	98.0	589.1	448.2
Fixed Asset Turnover	2.5	3.8	5.3	7.0	8.0
Cash Conversion Cycle	72	78	75	57	62
Inventory Days	75	59	36	38	45
Days Receivable	98	101	105	85	94
Days Payable	102	83	66	67	77
Debt to Equity Ratio	0.1	0.2			
Free Cash Flow/Sales (%)	8.4	-4.9	12.0	16.7	3.4
Free Cash Flow(est) (Crs)	9.9	-8.8	33.7	66.3	21.2
Profitability Ratios					
Gross Margin (%)	22.9	22.2	29.0	37.0	37.8
Op Profit Margin (%)	8.1	10.8	18.9	28.5	29.6
Net Profit Margin (%)	4.7	7.8	15.4	23.2	23.6
ROCE (%)	12.7	23.6	47.1	58.0	56.4
Return on Assets (%)	5.2	9.6	24.3	31.4	30.0
ROIC (%)	7.6	14.8	35.0	63.4	52.5
ROE (%)	8.3	17.6	35.5	43.8	42.3
Adjusted EPS	4.8	12.3	37.7	80.3	128.4
Valuation Ratios					
P/E	14.2	9.5	13.4	31.9	27.4
Price to Book	1.2	1.7	4.7	14.0	11.6
EV/EBITDA	7.1	6.6	9.3	22.8	19.8
Dividend Yield (%)	0.7	1.1	0.7	0.3	0.2

SHILCHAR TECHNOLOGIES LIMITED

Transformers **BUY**

Quarterly P&L Statement	Jun 2023	Sep 2023	Dec 2023	Mar 2024	Jun 2024	Sep 2024	Dec 2024	Mar 2025	Jun 2025	Sep 2025
Net Sales	**67**	**106**	**118**	**105**	**107**	**131**	**154**	**232**	**159**	**171**
Operating Expenses	47	77	86	74	77	90	111	161	106	118
Increase/Decrease in Stock	-4	-3	1	-8	1	0	-7	-7	2	2
Raw Material	45	71	75	73	67	80	105	150	91	102
Employee Cost	3	3	4	4	4	5	5	7	6	6
Selling and Distribution Expenses										
Electricity, Power & Fuel Cost										
Gen_AdminExpenses										
Miscellaneous Expenses										
Operating Profit	**20**	**30**	**32**	**31**	**29**	**41**	**43**	**71**	**52**	**54**
Other Income	3	4	3	3	3	4	5	5	4	9
Interest	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortization	1	1	1	1	1	1	1	1	1	1
Profit Before Tax	**22**	**33**	**35**	**34**	**32**	**44**	**47**	**75**	**56**	**62**
Tax	5	8	9	9	8	11	12	19	14	16
Profit After Tax	16	24	26	25	24	33	35	55	41	46
Exceptional Items										
Net Profit	**16**	**24**	**26**	**25**	**24**	**33**	**35**	**55**	**41**	**46**
Quarterly Ratios										
EPS	14	21	23	22	21	29	30	48	36	40
Operating Profit Margin	30	28	27	30	28	31	28	31	33	31
Net Profit Margin	24	23	22	24	22	25	23	24	26	27

Ratings	Criteria
Buy/Add	E(R) ≥ 25%
Hold	E(R) ≥ 10%
Reduce	E(R) < 10%
Sell	E(R) < 0%

Definition:
Buy: Acquire at Current Market Price (CMP).
Add: Accumulate on dips if the above criterion is satisfied.
Hold: Hold the stock with the expected target.
Reduce: Reduce your exposure due to limited upside.
Sell: Exit the position.
E(R): Expected CAGR over the time horizon mentioned (1Y or 2Y)

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