MOTILAL OSWAL

23 May 2018

4QFY18 Results Update | Sector: Automobiles

Motherson Sumi

BSE SENSEX	S&P CNX
34,345	10,490

Bloomberg	MSS IN
Equity Shares (m)	2,927
M.Cap.(INRb)/(USDb)	668.1 / 9.8
52-Week Range (INR)	395 / 279
1, 6, 12 Rel. Per (%)	-9/-10/0
Avg Val, INRm	1129.0
Free float (%)	38.3

Financials & Valuations (INR b)

Y/E Mar	2018	2019E	2020E
Net Sales	562.9	673.8	811.3
EBITDA	51.2	73.2	98.2
PAT	17.2	25.3	35.7
EPS (INR)	8.2	12.0	16.9
Gr. (%)	5.9	47.3	41.0
BV/Sh (INR)	44.8	53.4	65.0
RoE (%)	19.4	24.5	28.6
RoCE (%)	12.2	16.9	21.0
P/E (x)	38.9	26.4	18.7
P/BV (x)	7.1	5.9	4.9
EV/EBITDA (x)	14.3	9.8	6.9

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR317 TP: INR423(+33%) Buy

In-line; Performance improves across businesses; Order book at new high

- **Healthy growth in standalone, PKC, SMP drives consol. revenue:** Consol. revenue grew 37% YoY to INR154b (est. of INR161.6b), as healthy growth in SMP (+10.5% YoY), PKC (+29% YoY) and S/A business (+22% YoY) offset the weakness in SMR (-3% YoY). While SMP growth was led by ramp-up of new plants and PKC sales were driven by commercialization of a third JV in China, SMR sales were hurt by weak volumes at Hyundai Group and a strong EUR.
- **Lag in RM inflation pass-through impacts EBITDA**: Consol. margin shrank 130bp YoY (+10bp QoQ) to 9.7% (est. of 9.1%), primarily led by a lag in RM pass-through and start-up costs for a new plant. Margins expanded at SMP (+100bp QoQ, -30bp YoY to 6.7%), SMR (+190bp QoQ, +100bp YoY to 13.1%) and standalone (+240bp QoQ, -90bp YoY to 18.5%). PKC margin was stable QoQ at ~6.2%. Adj. PAT fell 2% (+45% QoQ) to ~INR5.3b (est. of ~INR5.2b).
- FY18 consol. revenues/EBITDA/PAT grew 33%/23%/6%. The company declared a dividend of INR2.25/share (v/s ~INR2/share in FY17).
- **Key takeaways from the call:** a) Highest-ever order book of EUR17.2b as on FY18. b) PKC –contribution from 3rd Chinese JV with Zhengao (40% stake) supported revenues. c) S/A margin impacted by a lag in RM inflation pass-through. d) SMR revenue impacted by weak growth at Hyundai and Kia. e) SMP – start of production at Hungary plant in 1QFY19 and other plant in 3QFY19 to limit start-up cost. f) PKC performance to be at par with other wiring harness businesses in 2-3 years, led by rising backward integration.
- **Valuation view:** We maintain FY19/20E EPS, as the easing impact of start-up cost (with the start of Hungary and other plants in 1Q/3Q) partially dilutes the impact of lower PKC margins. Stock trades at 26.4x/18.7x FY19E/20E consol. EPS. Maintain **Buy** with TP of INR423 (25x Mar'20 consol. EPS).

Qtly performance (Cons.)

Y/E March	FY17				FY18E				FY17	FY18	Est	Var.
(INR Million)		2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	**104,504**	**101,369**	**106,041**	**112,540**	**131,286**	**134,313**	**143,877**	**154,078**	**423,755**	**562,933**	**161,653**	-4.7
YoY Change (%)	15.5	10.2	12.3	14.2	25.6	32.5	35.7	36.9	13.9	32.8	43.3	
RM Cost (% of sales)	61.0	60.5	61.7	59.6	60.8	60.6	61.5	60.6	60.8	61.0	63.4	-280bp
Staff Cost (% of sales)	19.2	18.8	18.8	19.3	19.7	19.8	19.5	19.6	19.1	60.6	18.3	130bp
Other Exp (% of sales)	10.9	10.8	9.3	10.6	10.5	10.3	10.3	10.1	10.3	10.3	9.2	90bp
EBITDA	**9,282**	**10,068**	**11,093**	**11,833**	**11,864**	**12,504**	**12,493**	**15,001**	**41,668**	**51,226**	**14,690**	2.1
Margins (%)	8.9	9.9	10.5	10.5	9.0	9.3	8.7	9.7	9.8	9.1	9.1	60bp
Depreciation	2,508	2,643	2,733	2,643	3,768	3,978	3,937	4,069	10,590	15,752	3,968	
Interest	847	980	1,084	838	1,176	771	1,032	1,130	3,749	4,108	1,083	
Other Income	37	45	433	1,246	39	156	253	615	2,642	1,701	130	
PBT before EO expense	**5,964**	**6,489**	**7,710**	**9,598**	**6,959**	**7,910**	**7,777**	**10,418**	**29,971**	**33,067**	**9,769**	6.6
Extra-Ord expense	0	0	0	974	1,502	48	21	207	974	1,777	0	
PBT after EO Expense	**5,964**	**6,489**	**7,710**	**8,624**	**5,458**	**7,862**	**7,756**	**10,211**	**28,997**	**31,290**	**9,769**	4.5
Tax Rate (%)	32.8	32.4	36.9	22.9	33.7	29.5	32.4	27.6	30.4	30.5	30.6	-300bp
Min. Int & Share of profit	983	774	706	1,887	335	1,168	1,595	2,151	4,350	5,249	1,600	
Adj PAT	**3,026**	**3,513**	**3,813**	**5,035**	**3,546**	**4,386**	**3,656**	**5,289**	**16,040**	**16,876**	**5,182**	2.1
YoY Change (%)	15.2	-3.8	13.5	35.6	17.2	24.9	-4.1	5.1	27.6	10.2	-3.7	

E: MOSL Estimates

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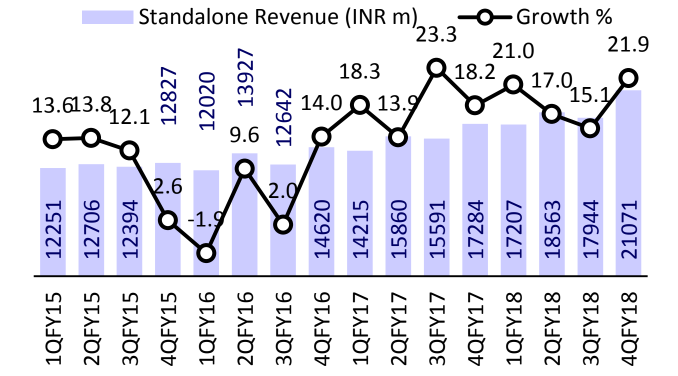
Standalone EBITDA margin recovers sequentially

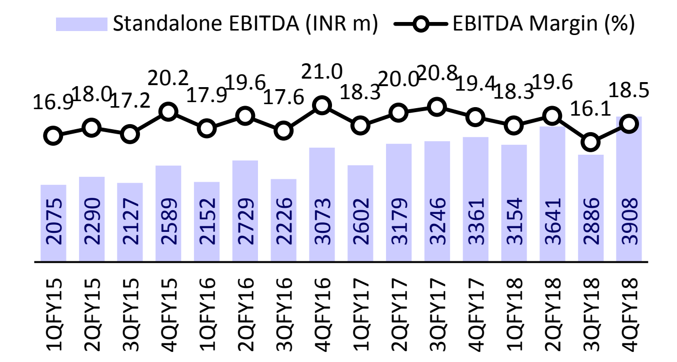
- Standalone revenue grew 22% YoY (+17.4% QoQ) to INR21b (est. of INR20.5b), as domestic sales and exports increased YoY 9% and 11.2%, respectively.
- Gross margin shrank 130bp YoY (+20bp QoQ) to 44.4% (est. of 44.9%) due to a sharp rise in copper prices (+19.3% YoY), which is usually a pass-through with a lag of 3-6 months.
- Staff cost came in lower at 13.3% (est. of 14.1%), expanding 60bp YoY (-140bp QoQ).
- EBITDA increased 16.3% YoY (+35.4% QoQ) to INR3.9b (in-line), resulting in an EBITDA margin of 18.5% (est. of 18.7%; -90bp YoY, +250bp QoQ).
- Adj. PAT declined 11.3% YoY (+38.5% QoQ) to INR2.4b (in-line).

Exhibit 1: Healthy S/A revenue growth YoY/QoQ



Source: Company, MOSL

Exhibit 2: Recovery in EBITDA margins on QoQ basis

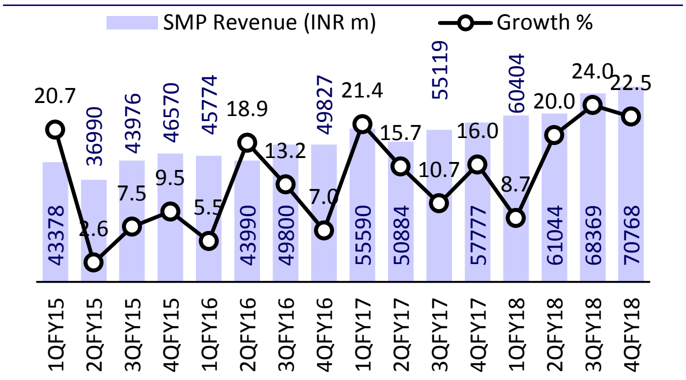


Source: Company, MOSL

SMP – healthy revenue growth led by ramp-up of new plants

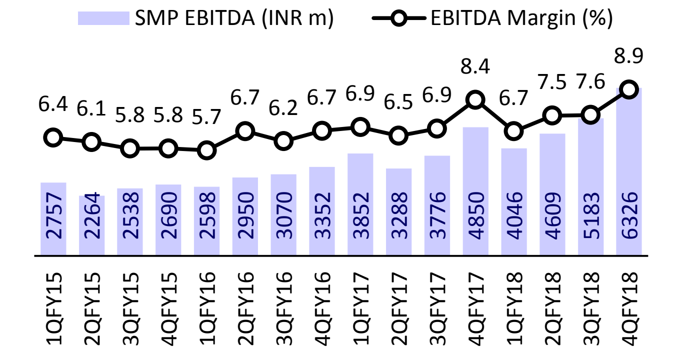
- SMP revenue in EUR terms grew 10.5% YoY (flat QoQ) to EUR895m, while in INR terms, growth was better at 22.5% YoY (+3.5% QoQ) to INR70.8b. Growth in revenues is primary led by ramp-up of new plants in 4QFY18.
- Adj. EBITDA margin expanded 50bp YoY (+130bp QoQ) to 8.9%.
- However, reported EBITDA margin (after start-up cost) shrank 30bp YoY (+100bp QoQ) to 6.7%.

Exhibit 3: SMP revenue growth led by ramp-up of plants



Source: Company, MOSL

Exhibit 4: Adj. EBITDA margin expands YoY and QoQ



Source: Company, MOSL

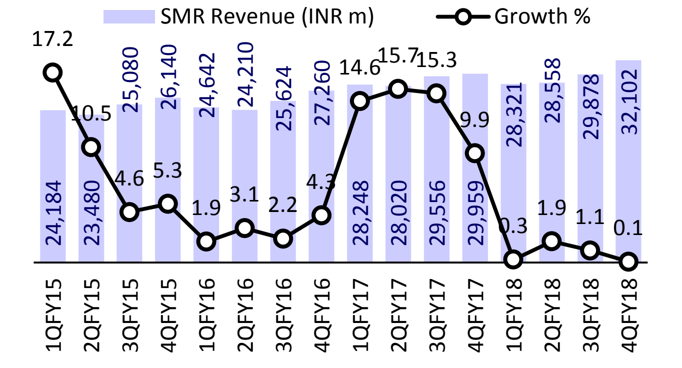
SMP - Highlights from the earnings call

- Kecskemet, Hungary plant to be operational by 1QFY19 (v/s 4QFY18 earlier).
- MSS indicated Tuscaloosa, US plant is expected to be operational by 3QFY19.
- Management indicated that three new plants will add EUR1b revenues on full ramp-up in FY19.

SMR – forex impact, lower production at Hyundai, Kia hurt sales

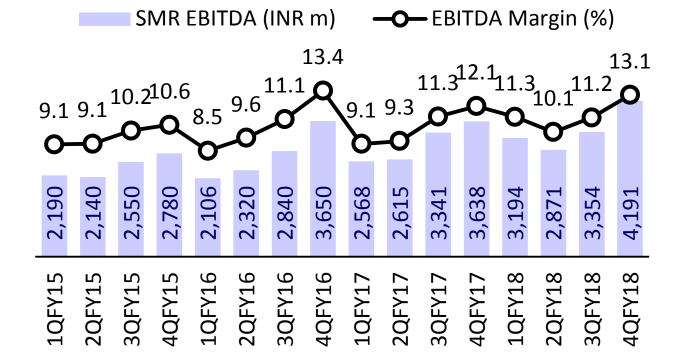
- SMR revenue in EUR terms declined 3.3% YoY (+3.6% QoQ) to EUR406m due to a forex impact of EUR26.1m.
- Lower production at Hyundai and Kia also impacted revenues in 4QFY18.
- EBITDA margin expanded ~100bp YoY and 90bp QoQ to 13.1%.

Exhibit 5: SMR – muted revenue growth led by forex impact



Source: Company, MOSL

Exhibit 6: SMR margin improves QoQ by 110bp, flat YoY



Source: Company, MOSL

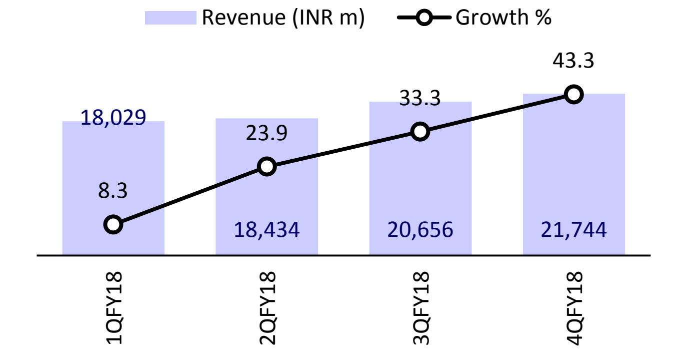
SMR - Highlights from the earnings call

- Enough scope for growth at SMR. Geo-political issues impacting South Korea hurt sales at Hyundai and Kia.
- The shift to advanced camera (replacing conventional mirror) is slow; expect gradual shift going ahead.
- Strengthening of EUR v/s USD impacted sales in 4QFY18.

PKC – unfavorable product mix dents EBITDA margin

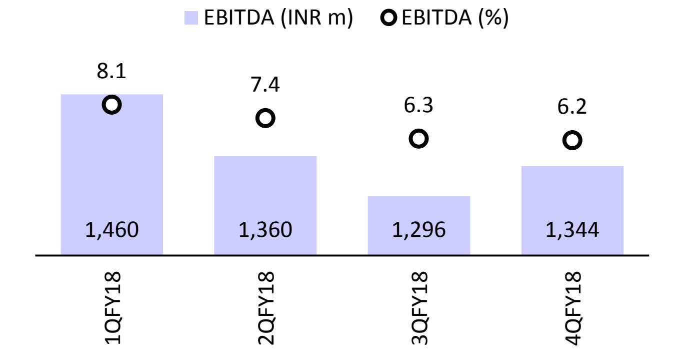
- PKC revenue in EUR terms increased by a healthy 29.3% YoY (+1.5% QoQ) to EUR275m, benefitting from strong CV sales in the US and contribution from commissioning of the third JV in China.
- However, component availability issues at suppliers end in European market impacted performance (even though the same improved QoQ).
- EBITDA margin remained flat QoQ at 6.2% (est. of 7.8%), impacted by product mix tilt toward Chinese JV.

Exhibit 7: Healthy CV sales in US and Chinese JV drive PKC revenues



Source: Company, MOSL

Exhibit 8: PKC margins remained flat QoQ led by product mix impact



Source: Company, MOSL

CONFERENCE CALL

PKC - Highlights from the earnings call

- North American and European truck market is growing at a healthy pace.
- Chinese markets too witnessed healthy growth, backed by contribution from 3rd JV in China with Zhengao, giving entry into Dongfeng.
- Copper inflation impacted growth in 4QFY18. Copper content in CV wiring harness is higher than in PVs.
- Increasing contribution of low-margin China business impacted product mix.
- PKC is already supplying wiring harness to rolling stock customers like Alstom and Bombardier.
- PKC has secured an order from German OEM to supply wiring harness for electric buses.

Other highlights from the earnings call

- No new capacity addition required for current order book.
- Wiring harness content to increase in electrification of vehicles (EVs), as high current capacity (amph) will require thick and engineered wires.
- Pass-through of RM inflation happen with a lag of 3-6 months.
- Guided capex of INR30b, of which ~INR3b will be invested in India.

Valuation and view

- **On right side of global automotive megatrends:** The global automotive industry is at the cusp of disruption, led by megatrends in the form of (a) EVs, (b) connect cars, (c) autonomous cars, (d) shared mobility, (e) stricter emission norms, and (f) platform and vendor consolidation. These trends have the potential to disrupt the automotive supply chain and challenge incumbents. We believe, with its diverse product base and market presence, MSS is set to leverage on these trends to drive its next wave of growth.
- **PKC – Synergistic acquisition opens up new businesses; Strong growth ahead:** PKC would be biggest beneficiary of strong outlook (up to 25% growth estimates for CY18) for N.America Class 8 trucks as it enjoys ~62% market share of US Class 8 truck wiring harness and ~54% of revenues contribution from North America. PKC is also highly focused on worlds largest truck market of China, where it has three JVs targeting different customers. Lastly, PKC entered rolling stock business (~USD2b opportunity) in 2015. PKC has already won contract worth

EUR280m from Bombardier since entering into global partnership in May 2016. It is in discussion with other OEMs to develop global supply chain for electrical system. PKC revenues are expected to grow at 16.2% CAGR over FY18-20E, driving ~390bp EBITDA margin expansion to 10.8% by FY20E.

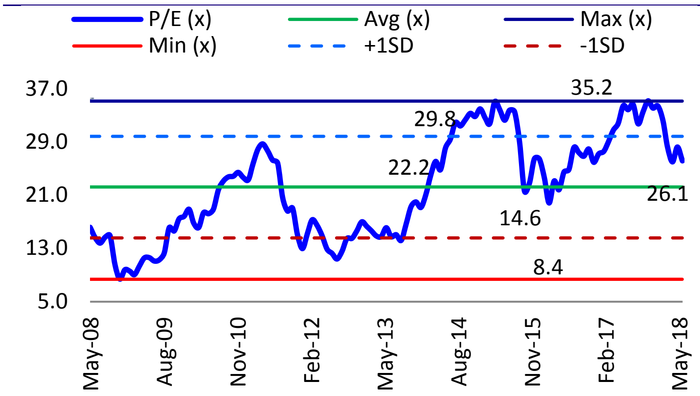
- **SMRPBV – the growth engine for MSS; SMP on track to improve margins, RoCE:** SMRPBV's order-book growth lends us comfort in building ~18.2% revenue CAGR over FY18-20 for SMRPBV. As of FY18, order book stood at EUR17.2b. SMP is in a sweet spot, as revenue visibility is high and it is nearing the end of an amplified capex cycle. In the next 12-15 months, with bulk of SMP's plants ramping up, it would derive twin benefits of operating leverage and non-recurrence of start-up costs. We estimate ~22.5% revenue CAGR to EUR5.2b by FY20 and EBITDA margin to expand 480bp to ~10.8% by FY20, driven by operating leverage, considering the high fixed cost nature of the business. SMR continues to be #1 PV mirror company globally and has gained share across markets through continuous innovation. We estimate 8% CAGR in SMR's revenue to EUR1.8b by FY20 and EBITDA margin to remain stable at 11.5% by FY20.
- **Standalone business on strong footing; Beneficiary of high growth in domestic PV segment, premiumization:** The India wiring harness business is likely to grow faster than the PV industry, led by increase in content (due to ongoing premiumization). BS-6 would increase complexity of wiring harness and increase value by 20-50%. Also, it would open up the 2W segment for MSS, as 2Ws shift to electronic fuel injection systems with more sensors. MSS is already market leader in 2W wiring harness in EU. The India polymer (MATE) and elastomer (MAE) businesses are evolving from supporting to core businesses to growth drivers. Polymer business is focusing on leveraging its strengths in export markets like South Africa for global OEMs. We expect India standalone business to witness revenue CAGR of 16% and PAT CAGR of 21% over FY18-20E.
- **Valuation and view:** We maintain FY19/20E EPS, as the easing impact of start-up cost (with the start of Hungary and other plants in 1Q/3Q) partially dilutes the impact of lower PKC margins. Stock trades at 26.4x/18.7x FY19E/20E consol. EPS. Maintain **Buy** with TP of INR423 (25x Mar'20 consol. EPS).

Exhibit 9: Revised Forecast

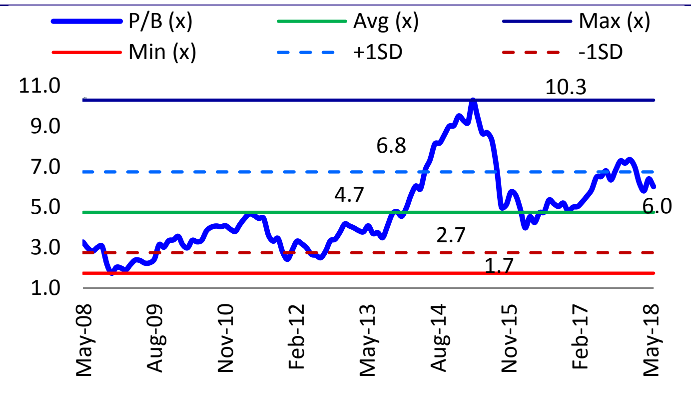
(INR M)	FY19E			FY20E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	673,808	683,244	-1.4	811,304	825,645	-1.7
EBITDA	73,168	74,693	-2.0	98,175	100,129	-2.0
EBITDA (%)	10.9	10.9	-10bp	12.1	12.1	0bp
Adj. PAT	25,300	26,336	-3.9	35,661	36,766	-3.0
EPS (INR)	12.0	12.5	-3.9	16.9	17.5	-3.0

Source: MOSL

Exhibit 10: Valuations trading above historical averages



Source: MOSL



Source: MOSL

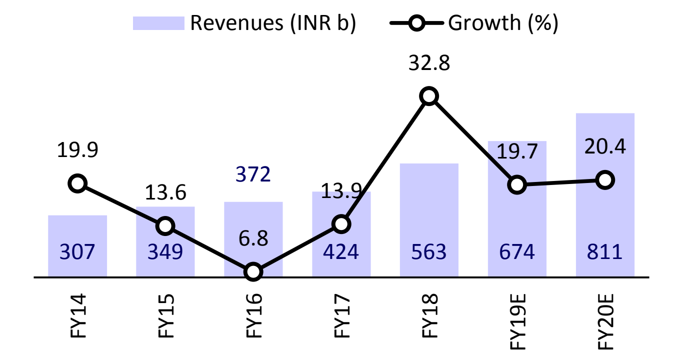
Exhibit 11: Comparative Valuation

Auto OEM's	CMP (INR)*	Rating	TP (INR)	P/E (x) FY19E	P/E (x) FY20E	EV/EBITDA (x) FY19E	EV/EBITDA (x) FY20E	RoE (%) FY19E	RoE (%) FY20E	Div Yield (%) FY19E	Div Yield (%) FY20E	EPS CAGR (%) FY18-20E
Bajaj Auto	2,776	Buy	3,450	16.6	14.5	11.3	9.4	24.0	24.7	2.5	2.9	12.6
Hero MotoCorp	3,482	Neutral	4,052	17.3	15.2	10.4	9.2	32.1	32.4	3.0	3.3	11.2
TVS Motor	565	Neutral	735	28.6	19.6	17.0	12.2	29.0	33.2	0.7	0.9	43.8
M&M	832	Buy	889	17.7	16.2	14.0	12.4	14.8	15.2	1.2	1.2	13.5
Maruti Suzuki	8,501	Buy	10,468	24.3	19.1	14.8	11.9	21.4	23.1	1.2	1.5	29.1
Tata Motors	309	Buy	471	7.2	5.8	2.7	2.1	14.2	15.0	0.1	0.1	51.9
Ashok Leyland	145	Buy	181	20.0	15.9	10.2	7.6	27.1	28.4	1.5	1.7	30.2
Eicher Motors	29,399	Buy	35,572	28.0	21.8	23.5	19.0	35.0	33.8	0.6	0.7	29.8
Auto Ancillaries												
Bharat Forge	686	Buy	869	26.0	19.7	15.0	12.0	23.3	25.4	0.8	0.9	31.9
Exide Industries	249	Buy	296	25.1	19.9	13.9	11.3	14.1	15.8	1.0	1.3	23.5
Amara Raja Batteries	784	Buy	952	24.9	20.6	12.7	10.4	17.1	17.9	0.6	0.7	17.4
BOSCH	17,987	Neutral	19,096	30.9	25.9	18.1	15.2	17.5	18.7	1.1	1.3	23.0
Endurance Tech	1,258	Buy	1,530	32.8	24.7	15.6	12.3	22.6	25.2	0.5	1.0	32.5
Motherson Sumi	**317**	**Buy**	**423**	**26.4**	**18.7**	**9.8**	**6.9**	**24.5**	**28.6**	**0.9**	**1.4**	**44.1**
Mahindra CIE	236	Buy	298	17.1	14.2	8.9	7.1	13.1	13.8	0.0	0.0	31.3
Escorts	875	Neutral	982	16.7	13.4	3.0	2.5	19.3	20.3	0.6	0.6	28.7

Source: Company, MOSL

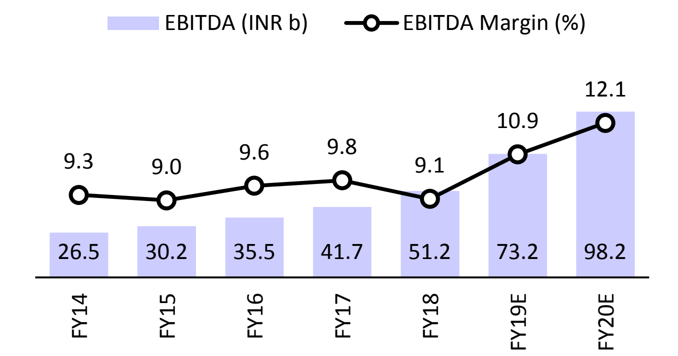
Motherson Sumi | Story in Charts: Healthy growth trajectory

Exhibit 12: Consol. revenue to grow at 20% CAGR over FY18-20



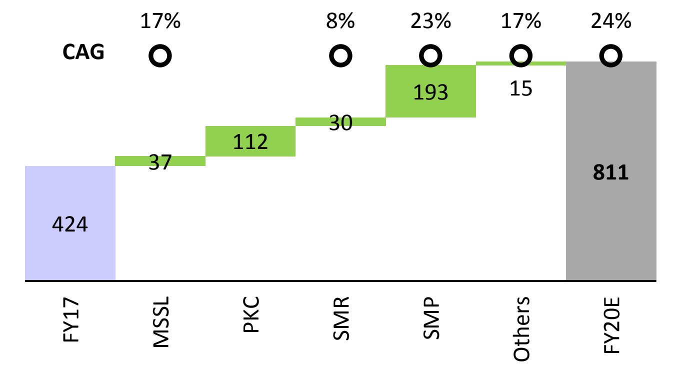
Source: Company, MOSL

Exhibit 13: Consol. EBITDA to grow at 38% CAGR over FY18-20



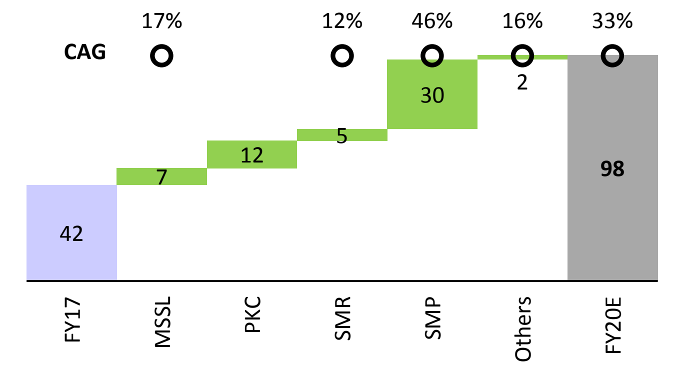
Source: Company, MOSL

Exhibit 14: Consol. revenue growth to be driven by SMP and PKC



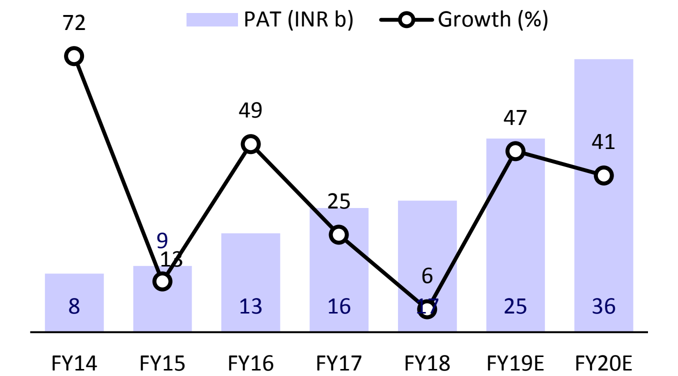
Source: Company, MOSL

Exhibit 15: SMP and PKC to drive EBITDA margins as well



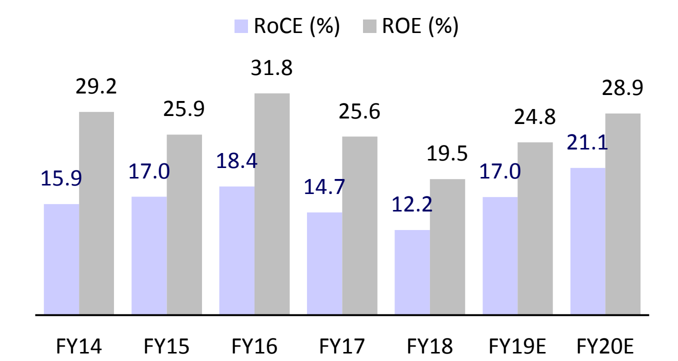
Source: Company, MOSL

Exhibit 16: Consol. PAT to grow at 44% CAGR over FY18-20E



Source: Company, MOSL

Exhibit 17: Return profile to remain healthy



Source: Company, MOSL

Financials and Valuations

Consolidated - Income Statement						(INR Million)
Y/E March	**FY15**	**FY16**	**FY17**	**FY18**	**FY19E**	**FY20E**
Total Income from Operations	**348,503**	**372,163**	**423,755**	**562,933**	**673,808**	**811,304**
Change (%)	13.6	6.8	13.9	32.8	19.7	20.4
Raw Materials	216,314	223,737	257,507	343,121	406,041	486,786
Employees Cost	63,653	71,573	80,909	110,678	127,280	146,372
Other Expenses	38,325	41,372	43,671	57,908	67,318	79,970
Total Expenditure	**318,292**	**336,682**	**382,087**	**511,707**	**600,639**	**713,128**
% of Sales	91.3	90.5	90.2	90.9	89.1	87.9
EBITDA	**30,211**	**35,481**	**41,668**	**51,226**	**73,168**	**98,175**
Margin (%)	8.7	9.5	9.8	9.1	10.9	12.1
Depreciation	9,206	10,872	10,590	15,752	18,523	21,298
EBIT	**21,005**	**24,609**	**31,078**	**35,474**	**54,646**	**76,878**
Interest Charges	3,178	3,450	3,749	4,108	4,074	4,075
Other Income	400	393	2,642	1,701	600	1,000
PBT bef. EO Exp.	**18,227**	**21,552**	**29,971**	**33,067**	**51,171**	**73,803**
EO Items	-56	0	-974	-1,777	0	0
PBT after EO Exp.	**18,171**	**21,552**	**28,997**	**31,290**	**51,171**	**73,803**
Total Tax	5,256	5,192	9,103	10,072	15,863	22,141
Tax Rate (%)	28.9	24.1	31.4	32.2	31.0	30.0
Minority Interest	4,291	3,437	4,350	5,249	10,008	16,001
Reported PAT	**8,624**	**12,923**	**15,543**	**15,970**	**25,300**	**35,661**
Adjusted PAT	**8,664**	**12,923**	**16,212**	**17,175**	**25,300**	**35,661**
Change (%)	13.2	49.2	25.4	5.9	47.3	41.0

Consolidated - Balance Sheet						(INR Million)
Y/E March	**FY15**	**FY16**	**FY17**	**FY18**	**FY19E**	**FY20E**
Equity Share Capital	882	1,323	1,404	2,105	2,105	2,105
Total Reserves	33,135	39,786	53,265	63,015	80,946	105,390
Net Worth	**37,320**	**43,971**	**82,727**	**93,178**	**111,109**	**135,553**
Minority Interest	10,993	15,123	22,322	29,600	41,358	59,259
Total Loans	46,377	57,415	101,418	94,770	92,270	89,270
Deferred Tax Liabilities	-1,854	-3,604	-5,024	-6,266	-6,266	-6,266
Capital Employed	**92,836**	**112,905**	**201,443**	**211,282**	**238,472**	**277,817**
Gross Block	123,415	80,462	135,237	170,615	215,737	242,534
Less: Accum. Deprn.	65,151	11,924	33,590	49,342	67,864	89,162
Net Fixed Assets	**58,264**	**68,538**	**101,647**	**121,273**	**147,873**	**153,373**
Goodwill	3,025	2,931	19,379	25,849	25,849	25,849
Capital WIP	9,547	13,970	19,348	25,849	10,000	10,000
Total Investments	**255**	**591**	**684**	**2,467**	**2,467**	**2,467**
Curr. Assets, Loans&Adv.	**87,022**	**97,766**	**137,061**	**133,905**	**157,919**	**216,647**
Inventory	20,025	22,850	30,716	40,132	42,459	51,123
Account Receivables	37,700	46,537	46,552	56,236	60,920	73,351
Cash and Bank Balance	17,467	17,717	48,866	27,816	42,183	77,293
Loans and Advances	11,830	10,662	10,927	9,722	12,358	14,879
Curr. Liability & Prov.	**75,180**	**82,531**	**117,230**	**157,430**	**165,006**	**189,888**
Account Payables	46,401	51,627	73,003	90,640	102,423	114,714
Other Current Liabilities	27,712	29,478	42,600	65,168	60,638	72,832
Provisions	1,067	1,426	1,628	1,622	1,945	2,342
Net Current Assets	**11,842**	**15,235**	**19,831**	**-23,525**	**-7,087**	**26,759**
Misc Expenditure	9,903	11,640	40,554	59,370	59,370	59,370
Appl. of Funds	**92,836**	**112,905**	**201,443**	**211,282**	**238,472**	**277,817**

E: MOSL Estimates

Financials and Valuations

Ratios						
Y/E March	**FY15**	**FY16**	**FY17**	**FY18**	**FY19E**	**FY20E**
Basic (INR)						
EPS	**4.4**	**6.5**	**7.7**	**8.2**	**12.0**	**16.9**
Cash EPS	7.3	9.8	10.7	13.4	18.1	23.8
BV/Share	**18.8**	**22.2**	**39.3**	44.3	52.8	64.4
DPS	2.0	2.5	2.0	2.3	3.0	4.6
Payout (%)	36.9	29.2	23.6	34.6	29.1	31.5
Valuation (x)						
P/E	72.7	48.7	41.2	38.9	26.4	18.7
P/BV	16.9	14.3	8.1	7.2	6.0	4.9
EV/Sales	1.3	1.2	1.2	1.3	1.1	0.8
EV/EBITDA	14.9	13.0	12.0	14.3	9.8	6.9
Dividend Yield (%)	0.6	0.8	0.6	0.7	0.9	1.4
FCF per share	11.7	1.9	7.3	0.6	13.4	25.4
Return Ratios (%)						
RoE	25.9	31.8	25.6	19.5	24.8	28.9
RoCE (post-tax)	17.0	18.4	14.7	12.2	17.0	21.1
RoIC	22.0	25.6	20.0	16.7	22.2	28.9
Working Capital Ratios						
Fixed Asset Turnover (x)	2.8	4.6	3.1	3.3	3.1	3.3
Asset Turnover (x)	3.8	3.3	2.1	2.7	2.8	2.9
Inventory (Days)	21	22	26	26	23	23
Debtor (Days)	39	46	40	36	33	33
Creditor (Days)	49	51	63	59	55	52
Leverage Ratio (x)						
Current Ratio	1.2	1.2	1.2	0.9	1.0	1.1
Interest Cover Ratio	6.6	7.1	8.3	8.6	13.4	18.9
Net Debt/Equity	0.8	0.9	0.6	0.7	0.4	0.1

Consolidated - Cash Flow Statement						
Y/E March	**FY15**	**FY16**	**FY17**	**FY18**	**FY19E**	**FY20E**
OP/(Loss) before Tax	18,175	22,929	31,801	31,290	51,171	73,803
Depreciation	9,206	10,872	10,591	15,752	18,523	21,298
Interest & Finance Charges	2,927	3,211	3,324	4,108	4,074	4,075
Direct Taxes Paid	-6,167	-6,899	-8,433	-10,072	-15,863	-22,141
(Inc)/Dec in WC	12,650	-10,278	4,813	7,144	-2,072	1,266
CF from Operations	**36,791**	**19,835**	**42,096**	**48,222**	**55,834**	**78,300**
Others	-2,894	2,049	-4,099	1,381	1,750	1,900
CF from Operating incl EO	**33,897**	**21,884**	**37,997**	**49,603**	**57,584**	**80,200**
(Inc)/Dec in FA	-18,390	-19,306	-27,789	-48,349	-29,273	-26,797
Free Cash Flow	**15,507**	**2,578**	**10,208**	**1,254**	**28,310**	**53,403**
(Pur)/Sale of Investments	-10,434	-151	-39,675	-1,783	0	0
Others	295	396	-614	0	0	0
CF from Investments	**-28,529**	**-19,061**	**-68,078**	**-50,132**	**-29,273**	**-26,797**
Issue of Shares	0	0	25,277	0	0	0
Inc/(Dec) in Debt	11,380	7,150	34,092	-6,648	-2,500	-3,000
Interest Paid	-2,993	-3,227	-3,471	-4,108	-4,074	-4,075
Dividend Paid	-3,539	-6,675	-9	-5,518	-7,369	-11,217
Others	97	120	104	0	0	0
CF from Fin. Activity	4,945	-2,632	55,993	-16,274	-13,943	-18,292
Inc/Dec of Cash	**10,313**	**191**	**25,912**	**-16,804**	**14,367**	**35,111**
Opening Balance	6,459	16,772	16,963	42,875	26,071	40,439
Closing Balance	**16,772**	**16,963**	**42,875**	**26,071**	**40,439**	**75,549**

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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