

**Estimate change**
**TP change**
**Rating change**


Bloomberg	VOLT IN
Equity Shares (m)	331
M.Cap.(INRb)/(USDb)	178.6 / 2.1
52-Week Range (INR)	741 / 428
1, 6, 12 Rel. Per (%)	8/-5/9
12M Avg Val (INR M)	957

### Financials & Valuations (INR b)

Y/E Mar	2020	2021E	2022E
Sales	76.6	66.5	88.0
EBITDA	6.9	4.6	8.0
PAT	5.5	3.5	6.6
EBITDA (%)	9.0	6.9	9.1
EPS (INR)	16.7	10.7	19.9
EPS Gr. (%)	6.5	(36.3)	86.5
BV/Sh. (INR)	129.4	136.8	150.8

### Ratios

Net D/E	(0.0)	0.0	(0.1)
RoE (%)	12.9	7.8	13.2
RoCE (%)	14.1	9.7	14.6
Payout (%)	31.5	30.0	30.0

### Valuations

P/E (x)	32.3	50.7	27.2
P/BV (x)	4.2	3.9	3.6
EV/EBITDA (x)	25.9	39.2	21.9
Div Yield (%)	0.8	0.5	0.9
FCF Yield (%)	2.3	0.2	4.2

### Shareholding pattern (%)

As On	Mar-20	Dec-19	Mar-19
Promoter	30.3	30.3	30.3
DII	40.0	38.6	35.1
FII	9.9	10.9	13.7
Others	19.8	20.2	20.9

FII Includes depository receipts

**CMP: INR540**
**TP: INR600 (+11%)**
**Buy**

## Long-term story intact despite COVID-19 led jolt

### Season is lost, not the franchise value

- Voltas' (VOLT) 4QFY20 earnings were 37% ahead of expectation led by the UCP segment's outperformance. VOLT has further cemented its leadership position with its market share improving 50bp to 24.2% YTD. It also achieved the No. 1 position in Inverter ACs for the Jan-Feb'20 period.
- The AC industry is perhaps one of the worst hit due to the COVID-19 led lockdowns, especially owing to the shutdowns coinciding with the peak summer season. This is likely to result in higher inventory for the entire supply chain across dealers, brands (incl. in-transit goods) and manufacturers. As the lockdown eases, we are witnessing pent-up demand. We expect system-level inventory to normalize by Nov-Dec'20, and hence, FY22E should turn out to be a normal year.
- We cut our FY21/FY22E earnings by 28%/6% as FY21 is likely to be a washout year. We have also built in lower revenue and profitability for the EMP business given the weak macro environment for the Projects' business. However, the cut in our TP is limited as the EMP business commands lower valuation multiple. Maintain **Buy** with revised TP of INR600 (earlier: INR620).

### UCP delivers handsomely, EMP hit by provisions

- **4QFY20:** Revenue was flat YoY at INR20.9b, (in line with est). EBITDA grew 33% to INR1.9b (+10% ahead of est.). A favorable sales mix has led to strong growth. EBITDA margin was up 220bp YoY to 9.2% (v/s est. 8.4%). Adj. PAT grew 15% to INR1.6b and **was 37% ahead of est.**
- **FY20:** Revenue grew 7.5% to INR76.6b. EBITDA grew 12.3% to INR6.9b. EBITDA margin expanded 40bp to 9%. Adj. PAT grew 7% to INR5.5b.
- **Segment highlights: (a) EMP:** Revenue was down 18% to INR8b and was 7% below our expectation. PBIT margins stood at just 1.4% as the company made provisions. Order book stood at INR78b (+57% YoY). **(b) UCP:** Despite the COVID-19 crisis, revenue was up 20% to INR12b and was 9% ahead of our expectation. **This suggests strong channel refilling in the Mar'20 quarter.** PBIT margin came in at 14.6%, aided by operating leverage.

### Key takeaways from management commentary

- **Inventory position:** Due to lockdowns, secondary sales could not materialize and as such, dealer level inventory stood as high as 60 days at end-Mar'20. As primary sales were also impacted, company level inventory stood at 90 days at end-Mar'20.
- **Key highlights of UCP segment:** Inverter ACs now form 64% of the total Split AC business and 50% of the overall Room AC business. In Air coolers, the company grew 60% YoY. It is now the No.2 player with market share of 10%.
- **Key highlights of EMP segment:** International business now forms 40% of the order book. Management flagged concerns on execution and working capital, given the deteriorating macro environment. Next few quarters may see some provisions as well. However, VOLT is looking to focus on cash flow rather than just top line growth in the EMP segment.
- **Volt-bek JV:** Market share in Frost-free refrigerators and Washing machines stood at ~2% each

**Valuation and view**

We expect the system level inventory to normalize by Nov-Dec'20, and hence, FY22E should turn out to be a normal year. We cut our FY21/FY22E earnings by 28%/6% as FY21 is likely to be a washout year. We have built in lower revenue and profitability for the EMP business given the weak macro environment for the Projects' business. However, the cut in our TP is limited as EMP business commands lower valuation multiple. Our FY20-22E revenue/EBITDA/adj. PAT CAGR stands at 7%/8%/8%. The stock has corrected 27% from its peak levels due to higher system level inventory. However, this is an industry level issue and on a relative basis, we expect VOLT to continue outperforming peers in the RAC segment. VOLT remains the best play on the under-penetrated AC market in India. Maintain **Buy** with revised TP of INR600 (earlier: INR620).

**Quarterly Performance****(INR M)**

Y/E March	FY19				FY20				FY19	FY20	FY20 4QE	Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Sales</b>	<b>21,481</b>	<b>14,214</b>	<b>14,918</b>	<b>20,628</b>	<b>26,540</b>	<b>14,219</b>	<b>14,925</b>	<b>20,896</b>	<b>71,241</b>	<b>76,581</b>	<b>20,657</b>	<b>1%</b>
Change (%)	10.5	37.1	8.5	0.7	23.6	0.0	0.0	1.3	11.2	7.5	0.1	
<b>EBITDA</b>	<b>2,432</b>	<b>1,085</b>	<b>1,157</b>	<b>1,443</b>	<b>2,912</b>	<b>1,059</b>	<b>976</b>	<b>1,920</b>	<b>6,117</b>	<b>6,867</b>	<b>1,738</b>	<b>10%</b>
Change (%)	16.7	26.7	-2.5	-43.0	19.7	-2.5	-15.7	33.1	-7.7	12.3	20.4	
As of % Sales	11.3	7.6	7.8	7.0	11.0	7.4	6.5	9.2	8.6	9.0	8.4	
Depreciation	59	60	62	59	77	80	80	82	240	320	79	
Interest	27	64	132	106	44	49	57	61	330	211	50	
Other Income	282	461	548	572	433	726	543	605	1,863	2,306	399	
Extra-ordinary Items	0	0	-118	0	-301	-43	0	-20	-118	-364		
<b>PBT</b>	<b>2,627</b>	<b>1,423</b>	<b>1,393</b>	<b>1,849</b>	<b>2,923</b>	<b>1,612</b>	<b>1,381</b>	<b>2,362</b>	<b>7,292</b>	<b>8,278</b>	<b>2,008</b>	<b>18%</b>
Tax	762	331	304	239	1,046	448	314	572	1,635	2,380	499	
Effective Tax Rate (%)	29.0	23.2	20.1	12.9	32.4	27.1	22.7	24.0	22.1	27.5	24.8	
Share of profit of associates/JV's	(26)	(58)	(279)	(215)	(225)	(100)	(198)	(203)	(578)	(726)	(337)	
<b>Reported PAT</b>	<b>1,839</b>	<b>1,035</b>	<b>809</b>	<b>1,396</b>	<b>1,652</b>	<b>1,064</b>	<b>869</b>	<b>1,587</b>	<b>5,079</b>	<b>5,172</b>	<b>1,172</b>	<b>35%</b>
Change (%)	-0.9	8.5	-19.4	-27.5	-10.2	2.9	7.4	13.6	-11.3	1.8	-16.1	
<b>Adj PAT</b>	<b>1,839</b>	<b>1,035</b>	<b>927</b>	<b>1,396</b>	<b>1,953</b>	<b>1,107</b>	<b>869</b>	<b>1,607</b>	<b>5,197</b>	<b>5,536</b>	<b>1,172</b>	<b>37%</b>
Change (%)	0.2	8.5	-7.7	-28.1	6.2	7.0	-6.2	15.1	-9.1	6.5	-16.1	

**Exhibit 1: Operating matrix**

INR M	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
<b>Order Book</b>	<b>38,930</b>	<b>39,140</b>	<b>43,210</b>	<b>50,620</b>	<b>49,760</b>	<b>77,880</b>	<b>77,880</b>	<b>72,880</b>
YoY	7.8%	0.5%	10.4%	17.1%	-1.7%	56.5%	0.0%	-6.4%
<b>Order Inflows</b>	<b>22,380</b>	<b>22,500</b>	<b>27,850</b>	<b>34,440</b>	<b>35,129</b>	<b>61,270</b>	<b>30,000</b>	<b>35,000</b>
<b>Segmental Revenues</b>								
Electro mechanical projects	22,085	28,288	26,550	28,450	36,191	32,461	30,000	40,000
Engineering Products	3,601	3,706	3,318	3,099	3,117	3,317	3,000	3,000
Unitary Cooling products	25,105	25,209	30,469	32,260	31,555	40,737	33,500	45,000
Others	1,040	-6	-9	235	378	66	0	0
<b>Total Revenues</b>	<b>51,831</b>	<b>57,198</b>	<b>60,328</b>	<b>64,044</b>	<b>71,241</b>	<b>76,581</b>	<b>66,500</b>	<b>88,000</b>
EMP, % YoY	-18.0%	28.1%	-6.1%	7.2%	27.2%	-10.3%	-7.6%	33.3%
Engg Products, % YoY	-19.7%	2.9%	-10.5%	-6.6%	0.6%	6.4%	-9.5%	0.0%
UCP, % YoY	22.3%	0.4%	20.9%	5.9%	-2.2%	29.1%	-17.8%	34.3%
<b>Segmental PBIT</b>								
Electro mechanical projects	231	550	849	1,854	2,773	1,704	900	2,000
Engineering Products	1,081	1,127	956	992	1,051	993	900	900
Unitary Cooling products	3,491	3,381	4,403	4,749	3,254	5,121	3,350	5,400
<b>Total PBIT</b>	<b>4,874</b>	<b>5,058</b>	<b>6,208</b>	<b>7,595</b>	<b>7,077</b>	<b>7,817</b>	<b>5,150</b>	<b>8,300</b>
<b>Segmental PBIT, %</b>								
Electro mechanical projects	1.0	1.9	3.2	6.5	7.7	5.2	3.0	5.0
Engineering Products	30.0	30.4	28.8	32.0	33.7	29.9	30.0	30.0
Unitary Cooling products	13.9	13.4	14.5	14.7	10.3	12.6	10.0	12.0
<b>Total PBIT</b>	<b>9.4</b>	<b>8.8</b>	<b>10.3</b>	<b>11.9</b>	<b>9.9</b>	<b>10.2</b>	<b>7.7</b>	<b>9.4</b>
EPS (INR/sh)	10.2	10.8	15.6	17.3	15.7	16.7	10.7	19.9
NWC (Days)	40.7	40.8	35.5	42.0	66.3	67.0	97.7	71.1
<b>EPS Composition (INR/sh)</b>								
Electro mechanical projects	-0.1	0.8	3.6	4.3	7.7	5.0	3.5	7.6
Engineering Products	2.4	2.4	2.0	2.1	2.2	2.2	2.0	2.0
Unitary Cooling products	7.9	7.7	10.0	10.8	7.4	11.6	7.6	12.2
Voltas Beko JV				0.1	-1.6	-2.1	-2.4	-1.9

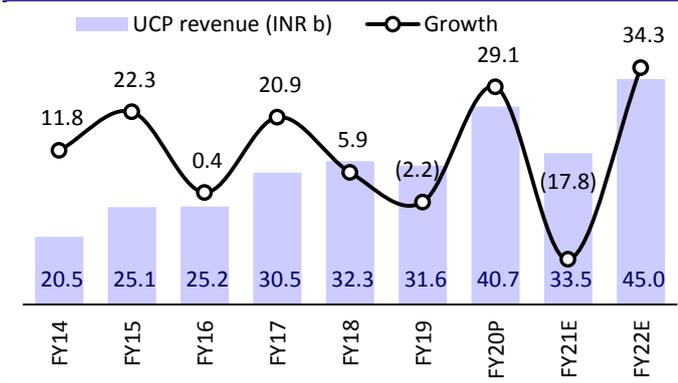
Source: MOFSL, Company

**Exhibit 2: We value VOLT at INR600/share**

Name of segment	Mar'22 EPS (INR)	Multiple (x)	Value/sh (INR)
Unitary Cooling Products	12.2	35.0	428
Engineered Products Services	2.0	15.0	31
Electro Mechanical Products(incl. non allocable)	7.6	12.0	91
BEKO JV	(1.9)	DCF	50
<b>Total</b>	<b>19.9</b>		<b>600</b>

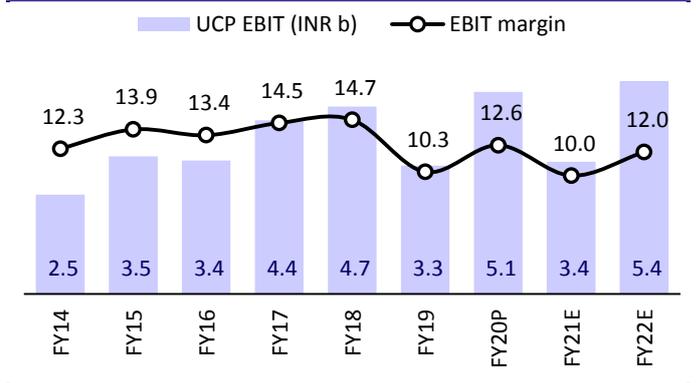
Source: MOFSL, Company

**Exhibit 3: UCP sales expected at 5.1% CAGR over FY20-22E**



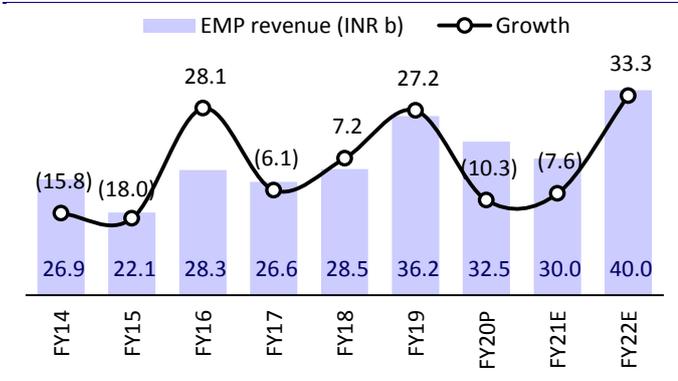
Source: MOFSL, Company

**Exhibit 4: Margins to normalize in FY22E as operating leverage kicks in**



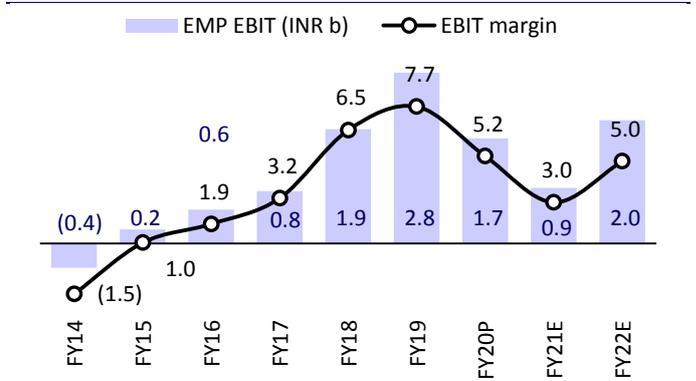
Source: MOFSL, Company

**Exhibit 5: EMP sales expected at 11% CAGR over FY20-22E on a low base**



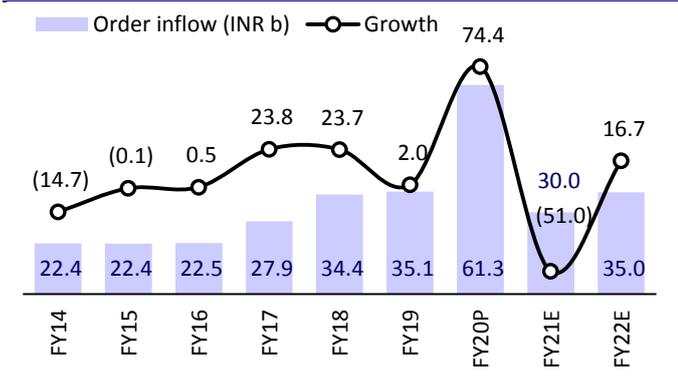
Source: MOFSL, Company

**Exhibit 6: Margins to stabilize in FY22E post normalization of construction activities**



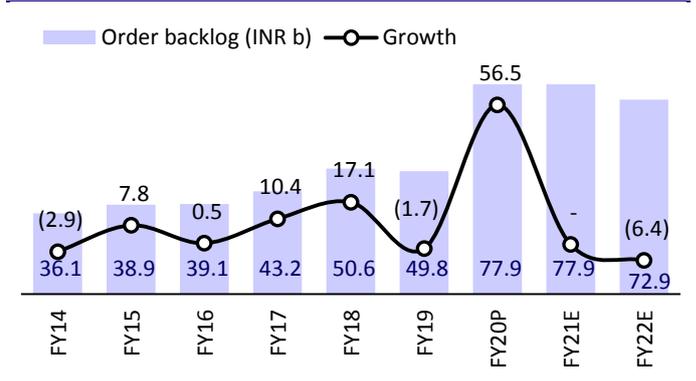
Source: MOFSL, Company

**Exhibit 7: Order inflows to moderate to ~INR30-35b in FY21/FY22E**



Source: MOFSL, Company

**Exhibit 8: Order book expected to remain flat over FY20-22E as the company focuses on execution**



Source: MOFSL, Company



## Management commentary highlights

### Unitary Cooling Products

- UCP segment grew 50% in the first 11 months of FY20, well ahead of industry benchmarks. Mar'20 witnessed loss of sales due to the lockdown.
- **Inverters now account for 50% of the AC business.**
- **Air coolers:** The Company witnessed 60% growth in air coolers. The brand is No.2 with market share of 10%.
- **Inventory:** Dealers have 60 days of inventory currently. Strong sales have happened in the North/East and some parts of the South post the lockdown. Apr'20 was a complete washout. VOLT has started doing some sales in May'20. The company had 90 days of inventory at end-Mar'20.
- **Sourcing:** VOLT has adequate inventory at the company level.
- Secondary sales during Apr'19 to Feb'20 stood 30% higher YoY and for FY20, it stood at 24-25% YoY.
- Secondary sales have begun in the North on account of the heat wave.

### Electro-Mechanical Projects and Services

- This segment saw delays in execution and payments from customers.
- VOLT has followed a conservative time-based provision.
- Total order book stood strong at INR78b (+57% YoY). International order book was at ~INR30b. Domestic order book stood at INR48b, with orders across key segments like water, metro, airport, solar and electrification.
- International order execution has not suffered as a few domestic order executions, as most construction activities in the Middle East were classified as essential services. However, there was some slowdown in execution.
- Domestic projects – Some amount of delay in timeline and collection of receivables seem inevitable. However, raw material prices have come off.
- Private investments are still subdued. Fiscal constraints are expected to put pressure on government infrastructure spending.

### Volt-Bek

- Manufacturing of direct refrigerator has started from Sanand factory.
- The Sanand facility has an annual capacity of 1m units, which can be scaled up to 2.5m units.

### Other takeaways

- Clients are holding cash, and hence, there is some delay in receivables. VOLT is looking to focus on cash flows and risk mitigation. The company does not intend using own cash to complete projects if cash payments do not come. Government orders could see delay in payments.
- **Discounting:** Many brands are looking to give large discounts to liquidate inventory while VOLT is not looking at giving large discounts. If there is substantial competition in any particular market impacting VOLT, then the company would act on it. But, it is **not looking at cutting prices across the board.**
- **E-commerce:** RAC as a product has not been successful on the online platform, even globally, as there is an element of installation. If the E-commerce company offers installation then warranties do not hold. Thus, this is also a determinant for online sales.

- Working capital cycle is higher for the EMP segment. For UCP, it would be hardly 23-25 days of receivables.
- **Import v/s domestic sourcing:** Over the longer term, the company needs to lower dependency and become self-reliant. Also, VOLT is looking at alternate sourcing partners domestically.

## Valuation and view

- **Market leadership in the Air conditioner segment:** VOLT has consistently maintained its market leadership in the Room Air Conditioner (RAC) market despite rising competitive intensity. In Jan-Feb'20, the company became the market leader in Inverter ACs too. With strong distribution network coupled with less reliance on imports, we expect VOLT to continue its leadership position in the RAC market.
- **Voltbek offers meaningful increase in addressable market size:** The move to form JV with the Beko brand to cater to a wider audience in the consumer durable space (beyond air conditioners) has come at the right time. While management has high ambitions of gaining 10% market share through Voltbek and generating INR100b in revenues by FY25, we factor in modest assumptions and expect FY25E revenues at INR40b (40% of management's ambitious target) and ascribe INR50/share of attributable valuation to the stock.
- **Maintain Buy:** We cut our FY21/FY22E earnings by 28%/6% as FY21 is likely to be a washout year. We have built in lower revenue and profitability for the EMP business given the weak macro environment for the Projects' business. However, the cut in our TP is limited as the EMP business commands lower valuation multiple. Our FY20-22E revenue/EBITDA/adj. PAT CAGR stands at 7%/8%/8%. The stock has corrected 27% from its peak levels due to higher system level inventory. However, this is an industry level issue and on a relative basis, we expect VOLT to continue outperforming peers in the RAC segment. VOLT remains the best play on the under-penetrated AC market in India. Maintain **Buy** with revised TP of INR600 (earlier: INR620).

## Risks

- **Key risks to our Buy rating:** (a) Weak festive season, (b) Higher working capital in the EMP segment, (c) Second wave of Coronavirus causing disruption in supply chain and the overall industry, and (d) Inability of Voltbek to make in-roads in the Indian market.

### Exhibit 9: We cut our FY21/FY22E earnings by 28%/6%, as FY21 is likely to be a washout year for ACs and on weak macro environment for Projects' business

Earnings Change	Old		New		Change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Revenue	73,717	90,061	66,500	88,000	-10%	-2%
EBITDA	6,260	8,771	4,591	7,998	-27%	-9%
EBITDA margin	8.5%	9.7%	6.9%	9.1%	-1.6%	-0.7%
Adj. PAT	4,910	6,958	3,525	6,573	-28%	-6%

## Financials and valuations

Income Statement						(INR M)
Y/E March	2017	2018	2019	2020	2021E	2022E
<b>Total Revenues</b>	<b>60,328</b>	<b>64,044</b>	<b>71,241</b>	<b>76,581</b>	<b>66,500</b>	<b>88,000</b>
Change (%)	5.5	6.2	11.2	7.5	-13.2	32.3
<b>EBITDA</b>	<b>5,791</b>	<b>6,626</b>	<b>6,117</b>	<b>6,867</b>	<b>4,591</b>	<b>7,998</b>
% of Total Revenues	9.6	10.3	8.6	9.0	6.9	9.1
Other income	1,998	1,741	1,863	2,306	2,000	2,300
Depreciation	245	244	240	320	360	407
Interest	160	119	330	211	400	200
Exceptional items	11	6	-118	-364	0	0
<b>PBT</b>	<b>7,395</b>	<b>8,011</b>	<b>7,292</b>	<b>8,278</b>	<b>5,831</b>	<b>9,690</b>
Tax	2,004	2,270	1,635	2,380	1,468	2,439
Rate (%)	27.1	28.3	22.4	28.8	25.2	25.2
<b>Reported PAT</b>	<b>5,174</b>	<b>5,724</b>	<b>5,079</b>	<b>5,172</b>	<b>3,525</b>	<b>6,573</b>
Change (%)	36.0	10.6	-11.3	1.8	-31.8	86.5
<b>Adjusted PAT</b>	<b>5,163</b>	<b>5,718</b>	<b>5,197</b>	<b>5,536</b>	<b>3,525</b>	<b>6,573</b>
Change (%)	46.9	10.7	-9.1	6.5	-36.3	86.5

Balance Sheet						(INR M)
Y/E March	2017	2018	2019	2020	2021E	2022E
Share Capital	331	331	331	331	331	331
Reserves	32,735	38,721	40,769	42,471	44,939	49,540
<b>Net Worth</b>	<b>33,066</b>	<b>39,052</b>	<b>41,100</b>	<b>42,802</b>	<b>45,270</b>	<b>49,870</b>
Minority interest	285	317	348	365	404	442
Loans	1,709	1,423	3,147	2,179	3,179	1,179
Deferred Tax Liability	-198	-46	-993	-715	-715	-715
<b>Capital Employed</b>	<b>34,863</b>	<b>40,746</b>	<b>43,601</b>	<b>44,631</b>	<b>48,137</b>	<b>50,777</b>
Gross Fixed Assets	5,165	5,262	5,666	6,359	7,359	8,359
Less: Depreciation	2,889	3,013	2,959	3,278	3,638	4,045
<b>Net Fixed Assets</b>	<b>2,276</b>	<b>2,248</b>	<b>2,707</b>	<b>3,081</b>	<b>3,721</b>	<b>4,314</b>
Capital WIP	6	41	157	263	263	263
Investments	22,679	27,536	23,859	23,433	23,633	23,993
Goodwill	723	723	723	723	723	723
<b>Curr. Assets</b>	<b>38,808</b>	<b>42,370</b>	<b>46,715</b>	<b>53,332</b>	<b>49,747</b>	<b>62,229</b>
Inventory	9,070	8,130	10,907	14,689	14,575	16,877
Debtors	14,541	15,703	18,330	18,336	18,219	21,699
Cash & Bank Balance	3,314	2,837	3,211	3,084	1,997	4,342
Loans & Advances	935	1,218	116	23	20	24
Other Assets	10,947	14,482	14,151	17,200	14,936	19,288
<b>Current Liab. &amp; Prov.</b>	<b>29,628</b>	<b>32,172</b>	<b>30,560</b>	<b>36,201</b>	<b>29,949</b>	<b>40,745</b>
Current Liabilities	19,946	21,765	23,745	26,889	21,863	30,137
Other Liabilities & provisions	9,682	10,408	6,815	9,312	8,086	10,608
<b>Net Current Assets</b>	<b>9,180</b>	<b>10,198</b>	<b>16,155</b>	<b>17,131</b>	<b>19,797</b>	<b>21,484</b>
<b>Application of Funds</b>	<b>34,863</b>	<b>40,746</b>	<b>43,601</b>	<b>44,631</b>	<b>48,137</b>	<b>50,777</b>

## Financials and valuations

### Ratios

Y/E March	2017	2018	2019	2020	2021E	2022E
<b>Adj EPS</b>	<b>15.6</b>	<b>17.3</b>	<b>15.7</b>	<b>16.7</b>	<b>10.7</b>	<b>19.9</b>
Cash EPS	16.3	18.0	16.4	17.7	11.7	21.1
Book Value	100.0	118.0	124.2	129.4	136.8	150.8
DPS	3.5	4.0	4.0	4.1	2.7	5.0
Payout (incl. Div. Tax.)	25.9	26.8	31.0	31.5	30.0	30.0
<b>Valuation (x)</b>						
P/E	34.6	31.2	34.4	32.3	50.7	27.2
Cash P/E	33.0	30.0	32.8	30.5	46.0	25.6
EV/EBITDA	30.6	26.8	29.2	25.9	39.2	21.9
EV/Sales	2.9	2.8	2.5	2.3	2.7	2.0
Price/Book Value	5.4	4.6	4.3	4.2	3.9	3.6
Dividend Yield (%)	0.6	0.7	0.7	0.8	0.5	0.9
<b>Profitability Ratios (%)</b>						
RoE	15.6	14.6	12.6	12.9	7.8	13.2
RoCE	15.8	14.3	13.8	14.1	9.7	14.6
RoIC	51.0	50.0	27.8	25.8	14.1	25.3
<b>Turnover Ratios</b>						
Debtors (Days)	88	89	94	87	100	90
Inventory (Days)	55	46	56	70	80	70
Creditors (Days)	121	124	122	128	120	125
Asset Turnover (x)	1.7	1.6	1.6	1.7	1.4	1.7
<b>Leverage Ratio</b>						
Net Debt/Equity (x)	0.0	0.0	0.0	0.0	0.0	-0.1

### Cash Flow Statement

Y/E March	2017	2018	2019	2020	2021E	2022E
<b>PBT before EO Items</b>	<b>7,384</b>	<b>8,005</b>	<b>6,774</b>	<b>7,443</b>	<b>5,831</b>	<b>9,690</b>
Depreciation	245	268	240	320	360	407
Interest & other	0	0	330	211	400	200
Direct Taxes Paid	-2,004	-2,270	-2,708	-2,061	-1,468	-2,439
(Inc)/Dec in WC	533	-1,495	-6,456	-911	-3,753	659
<b>CF from Operations</b>	<b>6,168</b>	<b>4,508</b>	<b>-1,820</b>	<b>5,002</b>	<b>1,370</b>	<b>8,517</b>
(Inc)/Dec in FA	-302	-252	-804	-832	-1,000	-1,000
<b>Free Cash Flow</b>	<b>5,866</b>	<b>4,257</b>	<b>-2,625</b>	<b>4,170</b>	<b>370</b>	<b>7,517</b>
(Pur)/Sale of Investments	-3,221	-4,857	3,181	-1,402	-1,000	-1,000
<b>CF from Investments</b>	<b>-3,523</b>	<b>-5,109</b>	<b>2,377</b>	<b>-2,234</b>	<b>-2,000</b>	<b>-2,000</b>
(Inc)/Dec in Debt	-998	1,666	1,724	-1,057	1,000	-2,000
Interest Paid	0	0	-329	-212	-400	-200
Dividend Paid	-1,337	-1,534	-1,577	-1,627	-1,057	-1,972
<b>CF from Fin. Activity</b>	<b>-1,217</b>	<b>132</b>	<b>-183</b>	<b>-2,896</b>	<b>-457</b>	<b>-4,172</b>
<b>Inc/Dec of Cash</b>	<b>1,428</b>	<b>-469</b>	<b>374</b>	<b>-127</b>	<b>-1,087</b>	<b>2,345</b>
Add: Beginning Balance	1,877	3,305	2,837	3,211	3,084	1,997
<b>Closing Balance</b>	<b>3,309</b>	<b>2,837</b>	<b>3,211</b>	<b>3,084</b>	<b>1,997</b>	<b>4,342</b>

(INR M)

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
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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