4 March 2021

Update | Sector: Automobile

Endurance Technologies

BSE SENSEX	S&P CNX
50,846	15,081

Bloomberg	ENDU IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	195.1 / 2.7
52-Week Range (INR)	1540 / 562
1, 6, 12 Rel. Per (%)	-5/-2/7
12M Avg Val (INR M)	165

Financials & Valuations (INR b)

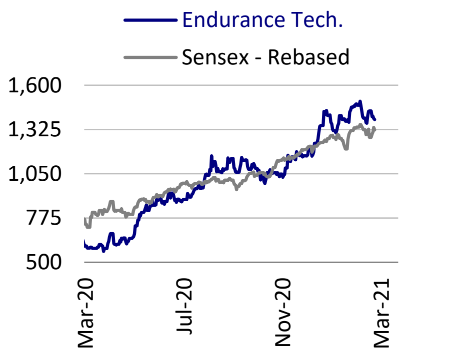
Y/E March	FY20	FY21E	FY22E
Sales	68.8	63.0	77.6
EBITDA	10.9	9.9	13.5
Adj. PAT	5.4	4.7	7.2
EPS (Rs)	38.0	33.1	51.1
EPS Growth (%)	3.2	-13.1	54.4
BV/Share (INR)	213.7	236.8	272.5
Ratios			
Net Debt/Equity	-0.1	-0.2	-0.3
RoE (%)	19.2	14.7	20.0
RoCE (%)	16.4	13.0	18.3
Payout (%)	28.5	29.3	30.1
Valuations			
P/E (x)	36.5	41.9	27.2
P/BV (x)	6.5	5.9	5.1
Div. Yield (%)	0.7	0.6	0.9
FCF Yield (%)	2.4	2.8	3.2

Shareholding pattern (%)

As On	Dec-20	Sep-20	Dec-19
Promoter	75.0	75.0	75.0
DII	12.8	11.9	6.9
FII	10.6	11.6	16.8
Others	1.6	1.5	1.3

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR1,387 TP: INR1,750 (+26%) Buy

Best proxy for the Indian 2W industry

EVs not a material threat | On the right side of OEMs and tech on PVs

- **After a slow recovery post lifting of COVID-related restrictions, we believe that the underlying demand drivers for 2Ws are still intact and expect 2W demand to return to 6-8% CAGR over the next five years. We prefer ENDU over 2W OEMs as the best way to play the 2W industry, given that the company has a strong positioning with all OEMs and is the beneficiary of the underlying trend in premiumization, scooterization, and electrification.**
- **ENDU has several levers to continue to grow faster than the underlying 2W industry, driven by: a) cross selling and client mining, b) supplies to e-2Ws/3Ws, c) ABS, and d) Brakes and clutches for over 200cc Bikes. This should help in increasing content per vehicle and narrow content gap between OEMs (BJAUT at 15-17% v/s RE at 11-13% v/s other OEMs at 5-7% v/s TVSL at 3-4%).**
- **The company has seen good traction in its nascent Passenger Vehicle (PV) segment (~5% of standalone sales in FY20) in the Aluminum Die-casting business. ENDU is on the right side of both customers and technology. On the customer side, it is working with the fastest growing OEMs in the Indian PV industry. Based on existing orders from Hyundai/Kia, its revenue run-rate is expected to hit its peak annual run-rate of INR3.1b by 4QFY22 (v/s less than INR1b in FY20).**
- **Aluminum usage in the Indian PV industry is very low (~40kg/car) v/s the global average of 160kg and 77kg for the EU Basic segment (VW Golf or Ford Focus). With further tightening of emission standards (CAFE-2 norms) and increasing penetration of Hybrids/EVs, aluminum usage in PVs is expected to increase faster. ENDU is well positioned to benefit from this trend due to its existing know-how in EU operations.**
- **The EU market is witnessing a transition to EVs. ENDU's EU business is also witnessing a similar shift in its business mix, with EVs and Hybrids estimated to contribute 22.5% to FY21E revenue (v/s 23.7% of CY20 EU PV registrations). About 50% of its order book is made-up of BEVs (EUR30m) and Hybrids (EUR90m) and over 80% request for quotes (RFQs) are for EVs and Hybrids.**
- **ENDU's focus is on maintaining revenue during this transition. While it expects EBITDA margin to be lower than ICE products, considering the higher life of EV products (and hence lower depreciation), it expects a similar EBIT margin.**
- **Impact of EVs on its India business won't be as material as content is broadly similar in e-Scooter and ICE in the Aluminum Die-casting business, whereas its Transmission business has no exposure to the Scooter segment (most impacted segment). Hence, we see no material impact of EVs on the India business.**
- **In the EU Aluminum Die-casting business, ENDU has more to gain than lose as aluminum usage is estimated to increase by 40-50% in BEVs. Aluminum usage in EU PVs is estimated to increase to ~199kg/car in CY25 from ~179kg/car in CY19.**
- **We estimate consolidated revenue/EBITDA/PAT of ~8%/13%/18% CAGR over FY20-23E. The stock trades at 27.2x/22.3x FY22E/FY23E consolidated EPS. Maintain Buy with a TP of INR1,750 per share (28x Mar'23E consolidated EPS).**

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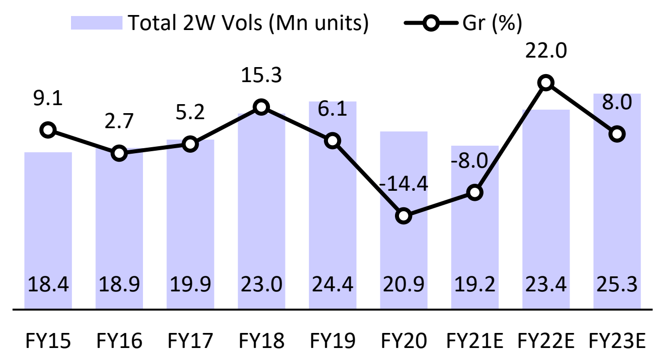
Vipul Agrawal - Research analyst (Vipul.Agrawal@MotilalOswal.com)

2W industry has been slow to recover from COVID impact, but expect a faster catch-up

- ENDU derived ~78% of standalone revenue in FY20 from the 2W segment. Over FY19-21E, volumes for the 2W industry declined by 11.3% CAGR. This resulted in a decline of ~7.5% CAGR in ENDU's standalone revenue over the same period.
- The 2W industry has been relatively slower to recover from the COVID-19 shock due to sharp cost inflation of 28-30% since Apr'18 due to regulatory factors, emission norm changes, and sharp commodity prices inflation. We have already seen a large part of the impact of cost inflation from Apr'18 to Apr'20 (24-27% increase) on demand over the last 4-6 quarters.
- We believe the underlying demand drivers for 2Ws are still intact and expect 2W demand to return to 6-8% CAGR over the next five years.

Exhibit 1: Expect 2W industry to bounceback, led by increasing penetration in rural markets



Source: Company, MOFSL

Exhibit 2: 2W industry has been more consistent on growth across timeframes

CAGR (%)	2W	PVs	Tractors	M&HCVs	LCVs
Three year	-0.2	-1.9	4.1	-5.8	3.7
Five year	1.7	1.3	5.2	-0.7	5.2
10 year	6.4	3.6	5.8	-0.9	5.6
15 year	7.1	6.6	7.8	0.8	9.9
Next five year	6.1	8.2	8.9	13.2	9.6

Source: Company, MOFSL

Best proxy for the India 2W industry, ENDU has levers to grow faster

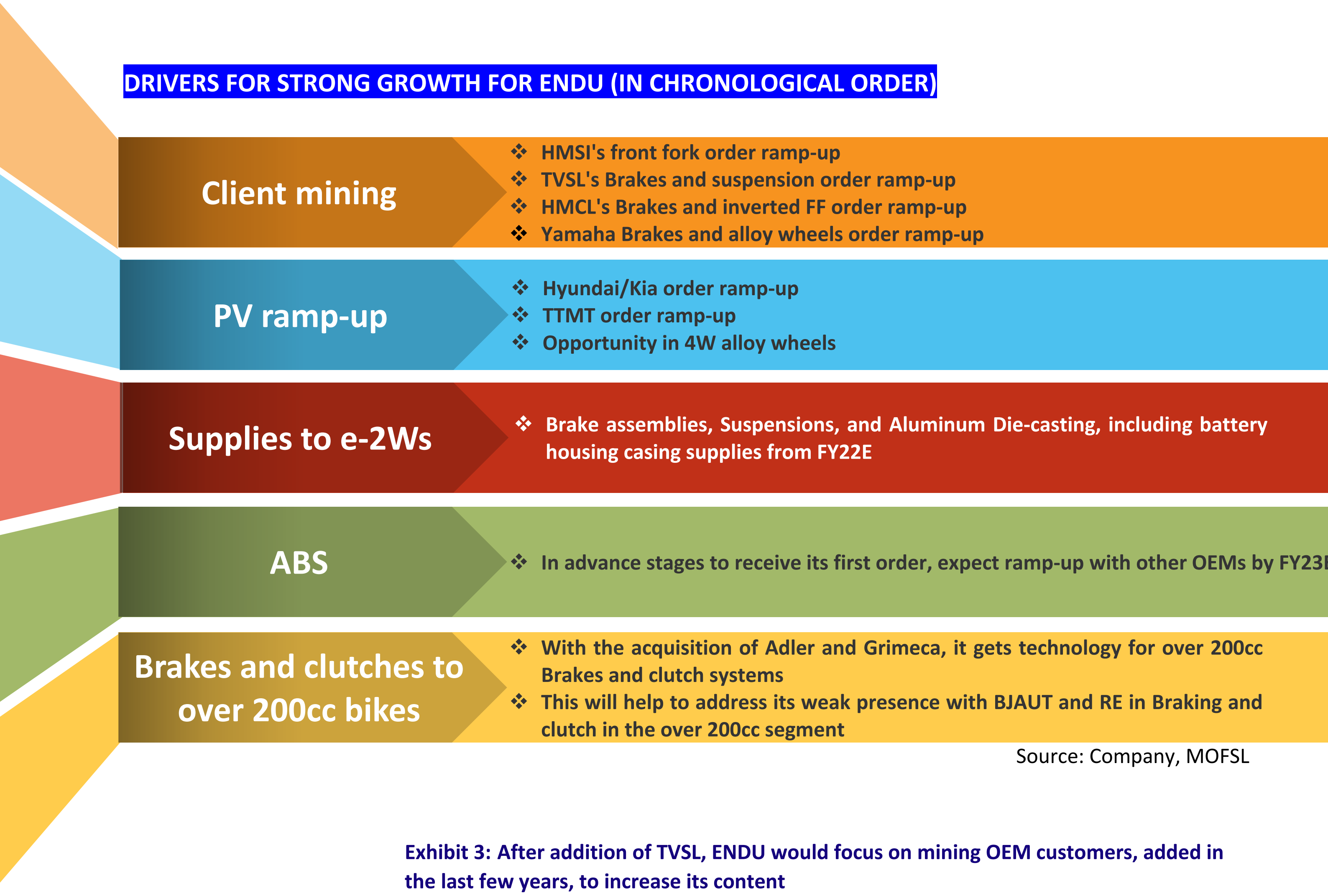
- We prefer ENDU over 2W OEMs as the best way to play the 2W industry, given its strong positioning with all OEMs. Unlike any single OEM, it would benefit from the trends of premiumization, scooterization, and electrification.
- The underlying trends of premiumization, scooterization, and electrification in the 2W industry would be one of the major drivers of content increase for ENDU.
- The company has the following levers to continue to grow faster than the underlying 2W industry:
  - **Cross selling and client mining**: It sells all four product categories to all OEMs. Currently, it sells all its products to BJAUT and RE, with the recent addition of HMSI and HMCL. While it has scope to cross-sell to other OEMs, there is enough headroom to increase its share of business in certain product categories, even with the above mentioned four OEMs.
  - **Supplies to e-2Ws/3Ws**: Currently it has a low exposure to Scooters. With e-Scooters nearing an inflection point and BJAUT focusing on this emerging segment, ENDU has the potential to improve its contribution by offering all its product categories to BJAUT and other OEMs.
  - **ABS**: ENDU is in advanced stages of receiving an ABS order for one of the models of its key customer. Over the next 3-4 years, we see good

opportunities for ENDU to leverage its strong cost base to become a prominent third supplier in ABS products.

- **Brakes and clutches for over 200cc Bikes:** Post its acquisition of Adler (Braking) and Grimeca (clutches), ENDU has the relevant technology to penetrate the over 200cc Bike segment over the next 3-4 years.

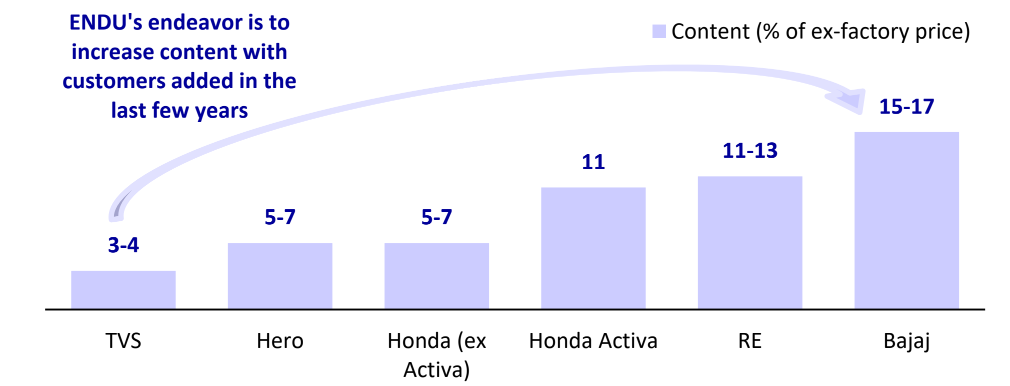
- ENDU's current content per vehicle (as a percentage of ex-factory price) is at 15-17%/11-13%/11% for BJAUT/RE/Honda Activa. In other OEMs and products of HMSI, its content is much lower (5-7% range). The recently added TVSL has been at 3-4% levels.

DRIVERS FOR STRONG GROWTH FOR ENDU (IN CHRONOLOGICAL ORDER)



Source: Company, MOFSL

Exhibit 3: After addition of TVSL, ENDU would focus on mining OEM customers, added in the last few years, to increase its content



Source: Company, MOFSL

Exhibit 4: ENDU's OEM segment-wise share of business

Segment	Bajaj	RE	HMSI	Hero	TVSL	Yamaha	Suzuki
Total 2W market share (%)	18.9	3.3	24.0	30.6	14.8	4.2	3.8
Aluminum Casting							
Engine and Transmission	Yes	Yes	Yes	Yes	No	Yes	No
Aluminum alloy wheels	Yes	No	No	No	No	Yes	No
Suspension	Yes	Yes	Yes	**Yes**	**Yes**	No	Yes
Transmission							
Clutch Assemblies	Yes	Yes	**Yes**	**Yes**	No	No	No
CVTs	NA	NA	No	No	No	No	No
Braking	Yes	Yes	**Yes**	**Yes**	Yes	Yes	No
Share of business	**Good**		**Moderate**		**Low**		**Nil**

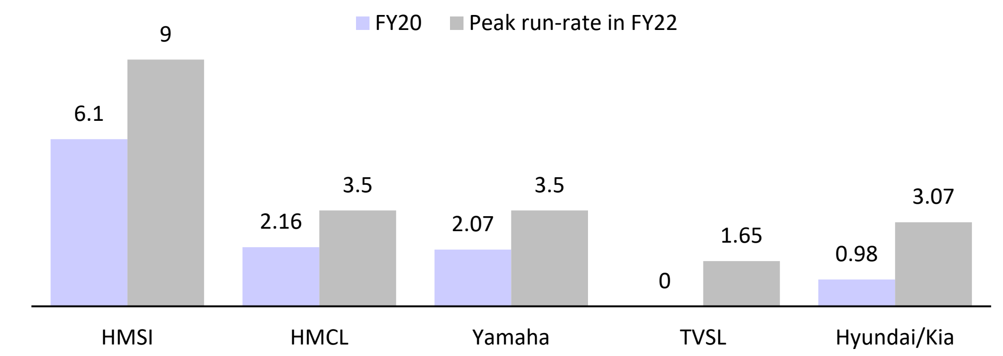
Source: Company, MOFSL

Exhibit 5: ENDU sees very good order wins in the last few quarters…

OEMs	Technology	Order details
HMSI	Suspension - Front fork	❖ 2.76m units, implying SOB at over 70%. Supplies have started recently
Kia / **Hyundai**	Machined Aluminum Die-casting components for engines and transmission	❖ Peak sales of ~INR3.1b by FY22E
TTMT	Machined Aluminum Die-casting components	❖ Peak sales of less than INR1b by FY22E
TVSL	Disc brake and Suspension	❖ Peak sales of ~INR1.65b by FY22E
TVSL	Suspension - Front fork	❖ Supply started from 3Q/4QFY20
TVSL	Drum brakes for 3Ws	
HMSL	Disc brakes	❖ Supply started from Apr'20
HMSI	Suspension - Inverted Front Fork	❖ Order for 50k vehicles, supply started from Jun'20

Source: Company, MOFSL

Exhibit 6: …resulting in a sharp increase in business with new customers (INR b)



Source: Company, MOFSL

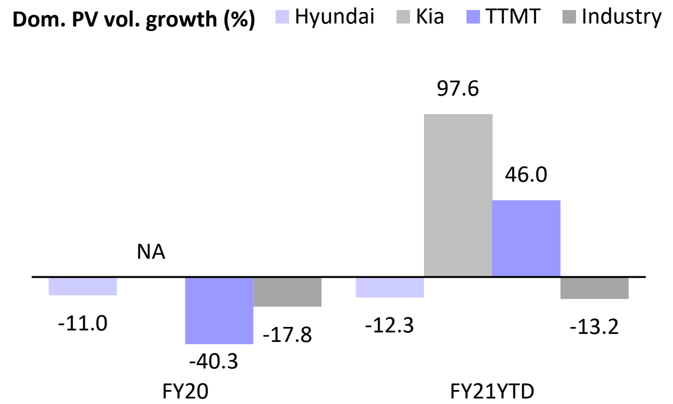
India PV business: On the right side of technology and customers

- ENDU has seen good traction in its nascent PV segment (~5% of standalone sales in FY20) in the Aluminum Die-casting business.
- While a large part of its existing business came from exports to Getrag (45-47% of PV business), it has now received good orders from Hyundai, Kia, and TTMT.

Based on existing orders from Hyundai/Kia, its revenue run-rate is expected to hit its peak annual run-rate of INR3.1b by 4QFY22 (v/s less than INR1b in FY20).

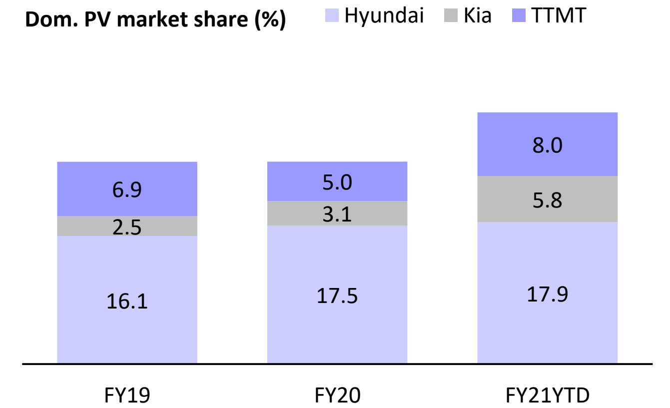
- ENDU is on the right side of both customers and technology. On the customer side, it is working with the fastest growing OEMs in the Indian PV industry.
- Aluminum usage in the Indian PV industry is very low (~40kg/car) as compared to the global average of 160kg and 77kg for EU Basic segment (VW Golf or Ford Focus). With the further tightening of emission standards (CAFE-2 norms) and increasing penetration of Hybrids/EVs, aluminum usage in PVs is expected to rise faster.
- ENDU is well positioned to benefit from this trend due to its existing know-how in EU operations.

Exhibit 7: ENDU's key PV OEM customers are growing much faster than the domestic PV industry…



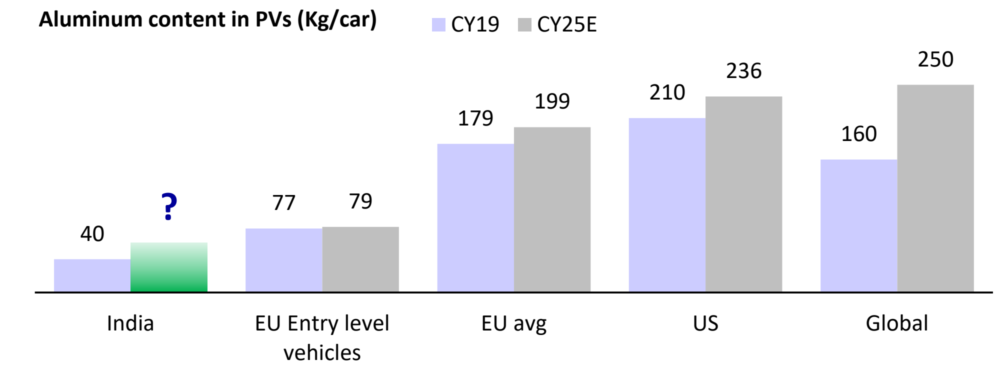
Source: Company, MOFSL

Exhibit 8: …and gaining substantial market share of the domestic PV industry



Source: Company, MOFSL

Exhibit 9: Usage of aluminum in India is almost half that of a small car in the EU. With tighter emission norms, aluminum will help in light weighting



Source: Industry, MOFSL

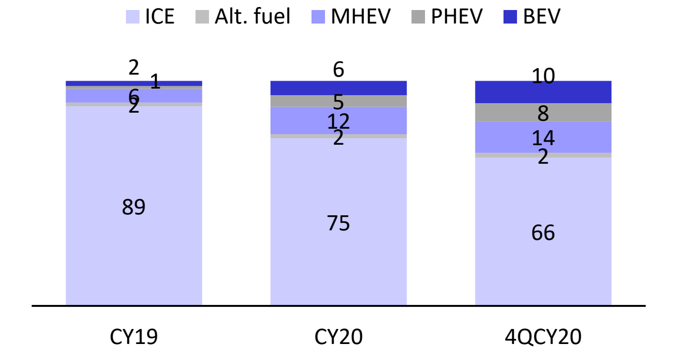
EU PV industry moving to EVs, ENDU well placed for this transition

- The European market is witnessing a transition to EVs, supported by various government incentives as well as stringent emission norms. In 4QCY20, ~18% of EU Light Vehicle registrations were for BEVs (~10%) and PHEVs (~8%) v/s 3%/11% in CY19/CY20.
- ENDU's EU business is witnessing a similar shift in business mix, with EVs and Hybrids estimated to contribute ~22.5% to FY21E revenue (v/s 23.7% of CY20 registrations coming from BEVs and Hybrids). About 50% of its order book is

made-up of BEVs (EUR30m) and Hybrids (EUR90m) and over 80% of RFQs are for EVs and Hybrids.

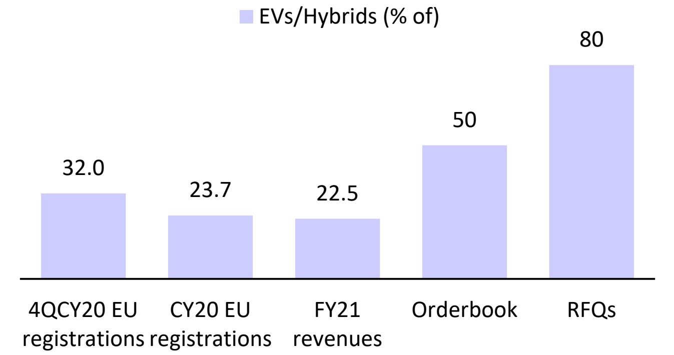
- The management's focus is on maintaining revenue during this transitory period. While it expects EBITDA margin to be lower than ICE products, considering the higher life of EV products (and hence lower depreciation), it expects a similar EBIT/PBT margin.
- We are building in base normalization in revenue by FY23E, but estimate EBIT margin to be lower at 9.8% (v/s the peak of 10.7% in FY19).

Exhibit 10: EU market is seeing good traction in EVs/PHEVs led by government incentives (% of PV registrations)



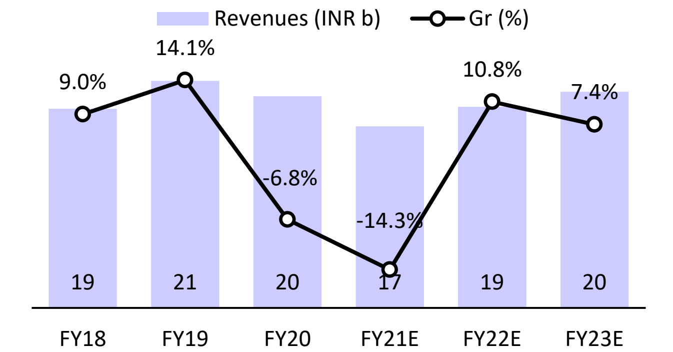
Source: Company, MOFSL

Exhibit 11: ENDU's EU business is evolving in line with the EU PV industry evolution towards electrification



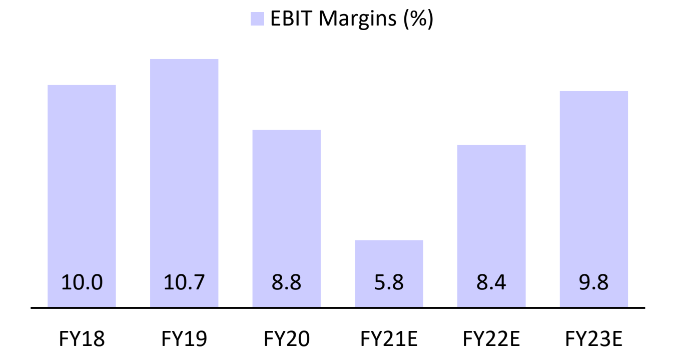
Source: Company, MOFSL

Exhibit 12: Expect FY23E revenue for the EU business to be at FY20 levels



Source: Company, MOFSL

Exhibit 13: Expect EBIT margin for the EU business to be well below the peak of FY19



Source: Company, MOFSL

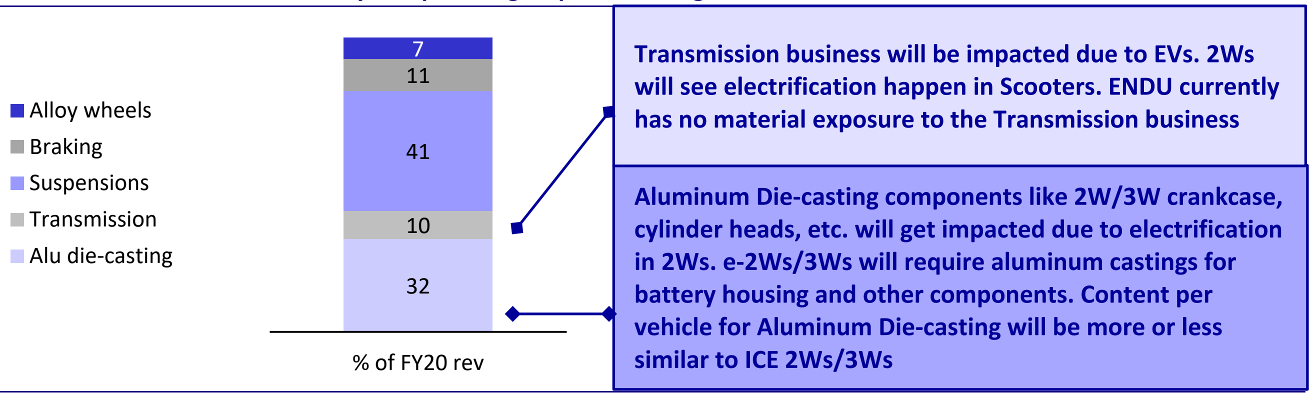
EVs not a material threat to either India or EU business

- One of the concerns of investors pertains to the risk of EVs to both its India as well as EU business. This concern emerges from its exposure to engines and Transmission components in both businesses.
- In the India business, the Aluminum Die-castings based parts like crankcase, cylinder heads, etc. will be impacted along with its Transmission business. While there will be some loss of business on engine components, we do see scope for higher usage of aluminum in e-2Ws (for battery/motor housing, terminals, MCU units, etc.) as the focus would be on light weighting to deliver an acceptable driving range.
- Based on its initial experience of supplying Die-casting components to e-Scooters, it is seeing usage in the range of 7-12kg (v/s 8kg in Entry-level

Motorcycles). In the Transmission business, ENDU doesn't supply to any Scooter models (we see limited risk of EVs to mainstream Motorcycles). Hence, we see no material impact of EVs to its India business.

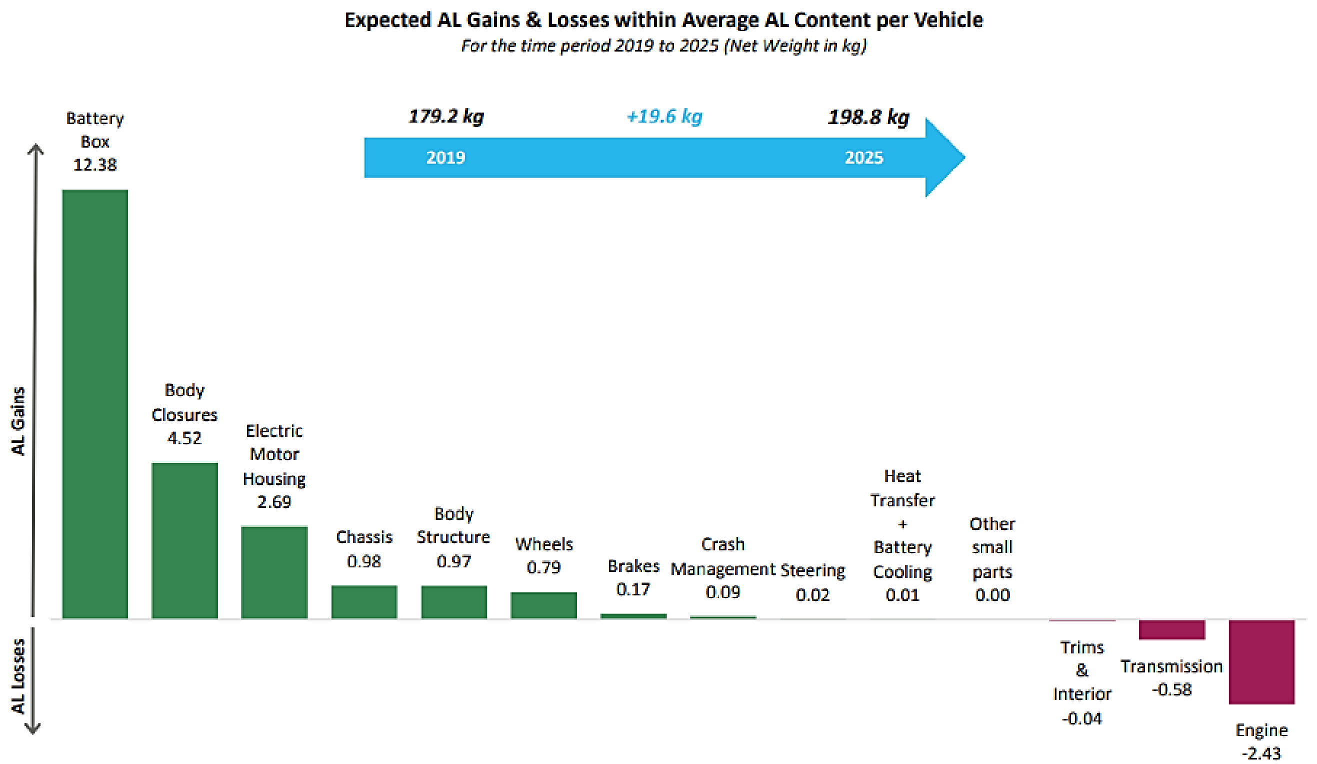
- In the EU Aluminum Die-casting business, ENDU has more to gain than lose as aluminum usage is estimated to increase by 40-50% in BEVs. Overall, aluminum usage in the EU PVs is estimated to increase to ~199kg/Car in CY25 from ~179kg/Car in CY19, led by increasing penetration of EVs and Hybrids (refer Exhibit 17). While castings as a process would see a small decline in overall aluminum products, it is still expected to contribute ~59% to aluminum products in CY25 (v/s 65% in CY19).
- This is reflected in strong traction, which ENDU is witnessing in EU BEV and Hybrid PVs, with these segments contributing 50% of order book and over 80% of RFQs, laying to rest any concerns on risk of EVs to ENDU's EU business.

Exhibit 14: EU PVs: Aluminum content by component group – more to gain than lose from electrification



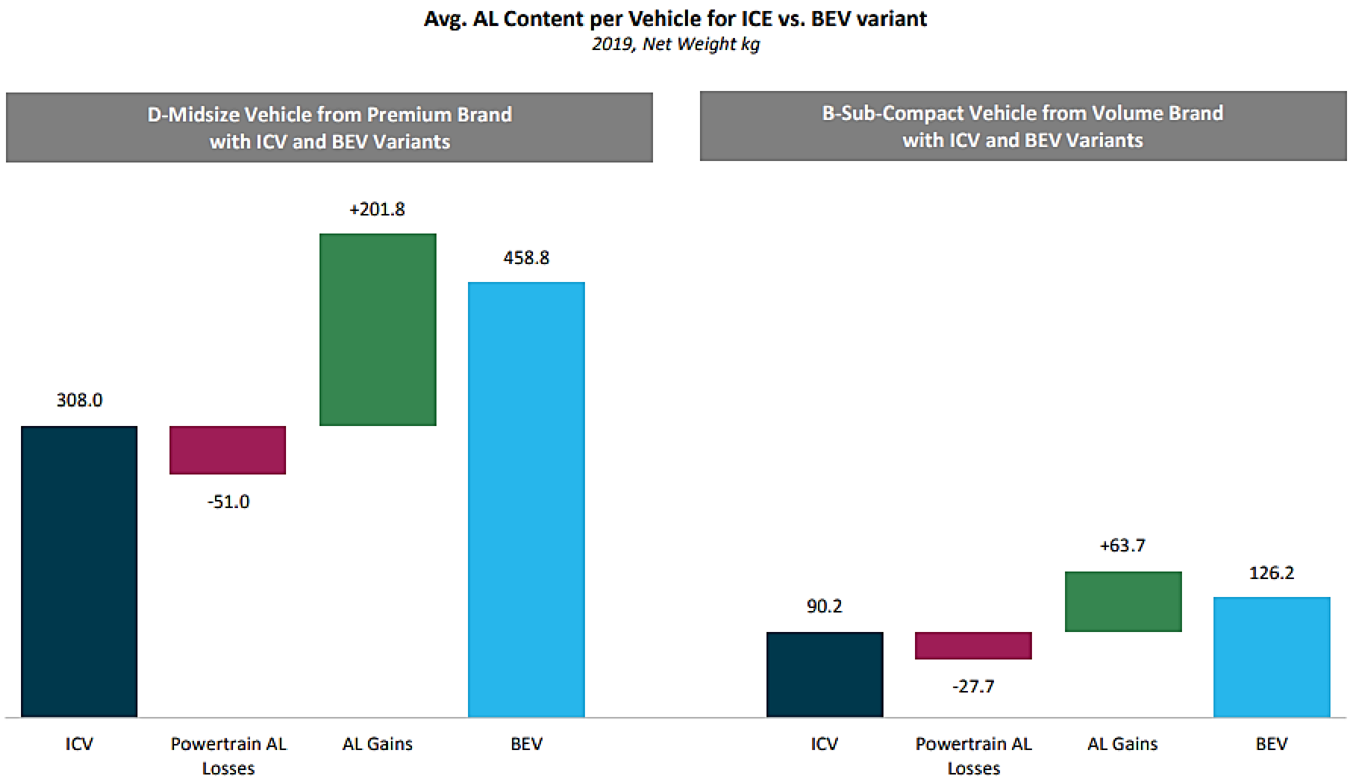
Source: Company, MOFSL

Exhibit 15: EU PVs: Aluminum content by component group – more to gain than lose from electrification



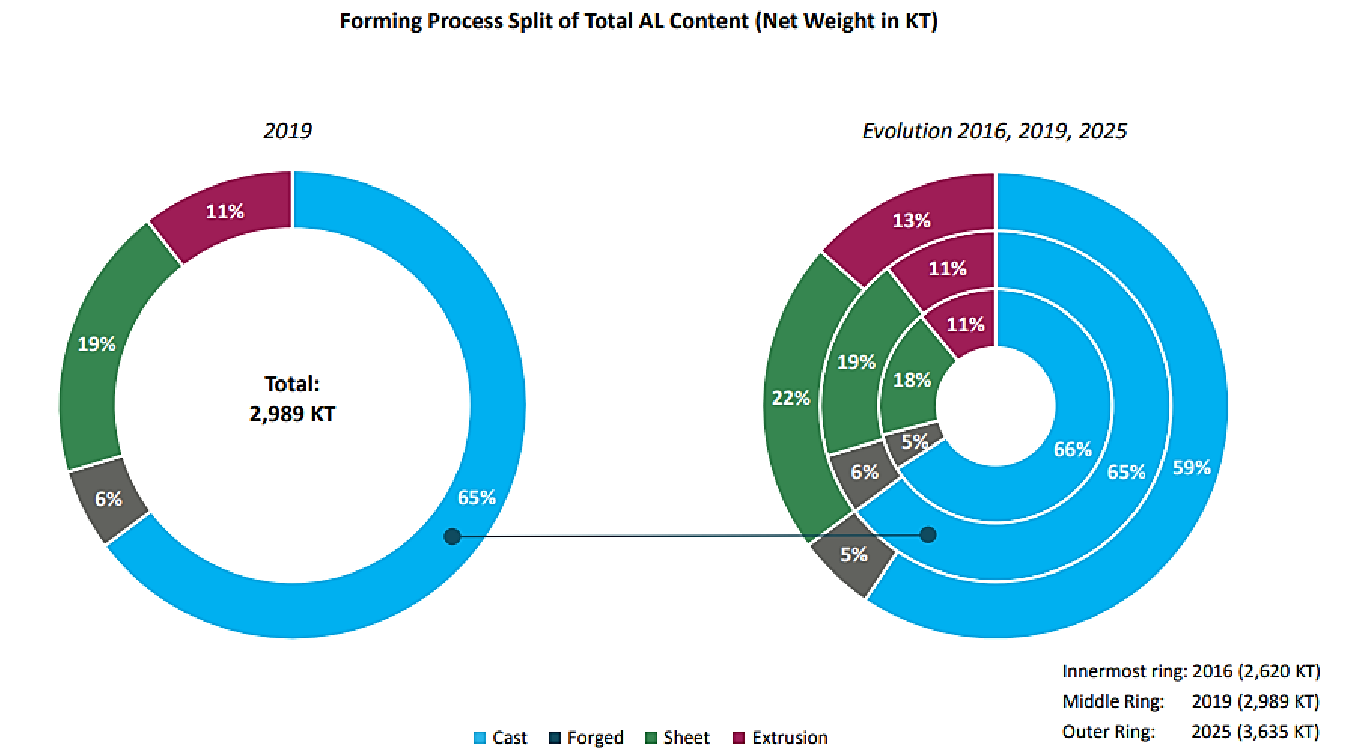
Source: European Aluminum

Exhibit 16: EU PVs: BEVs have significantly higher aluminum content than ICE driven by a battery/motor housing



Source: European Aluminum

Exhibit 17: EU PVs: While the share of castings will reduce by 6pp by FY25E, it will still be a dominant aluminum process with ~59% of the weight

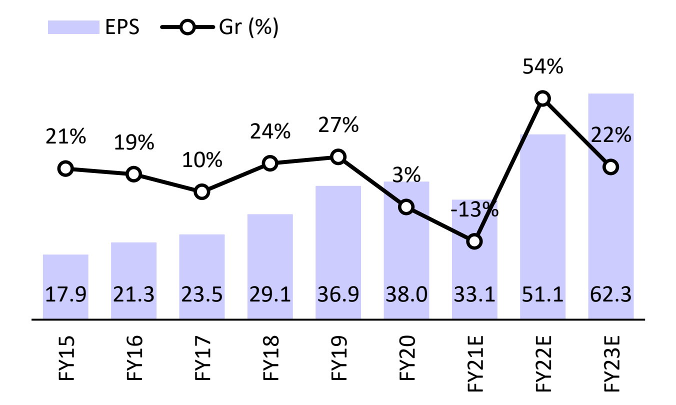


Source: European Aluminum

Expect strong earnings trajectory driven by the India business

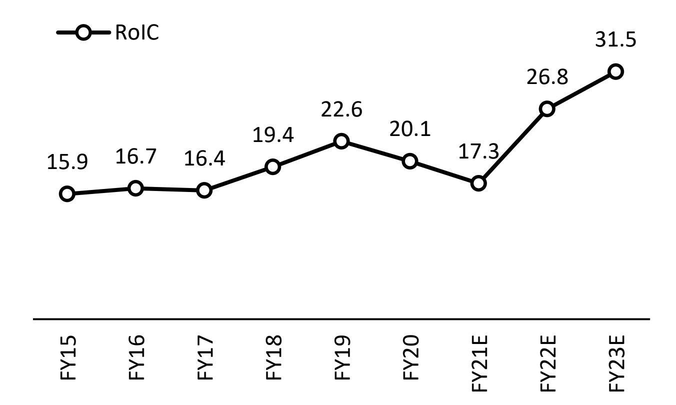
- We expect India business revenue to grow by ~11% CAGR over FY20-23E, led by a recovery in the 2W industry and ramp-up in existing orders and PV business.
- This, coupled with an improving mix in the form of: a) increase in machined castings, b) improving mix in 2Ws (higher share of Brakes, front forks, etc.), c) increase in PV contribution, and d) cost reduction and operating leverage benefit would drive 300bp margin expansion to 17.4% in FY23E.
- In the EU business, we estimate INR revenue to remain stable (~0.7% CAGR) at INR20.2b. We estimate an EBIT margin to expand ~100bp over FY20-23E to ~9.8%, driven by cost-cutting initiatives.
- We estimate consolidated PAT to grow ~18% CAGR over FY20-23E, led by the India business. Strong operating performance, coupled with lower capex intensity, would result in consolidate RoCE/RoIC improving 330bp/11.4pp to 19.7%/31.5% by FY23E.

Exhibit 18: Expect EPS to grow at 18% CAGR over FY20-23E



Source: Company, MOFSL

Exhibit 19: RoIC to improve to 31.5% by FY23E from 20.1% in FY20



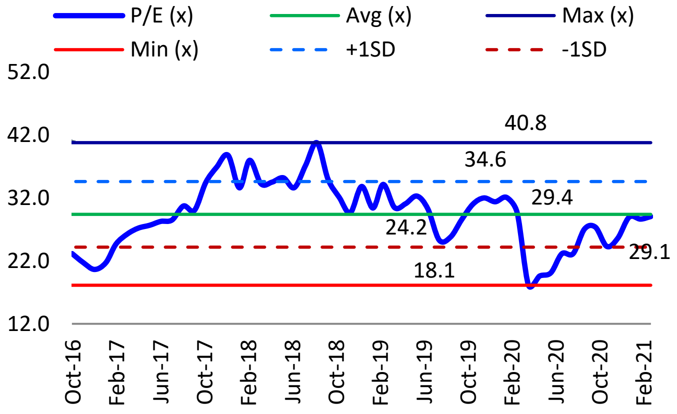
Source: Company, MOFSL

Premium valuations for a premium company

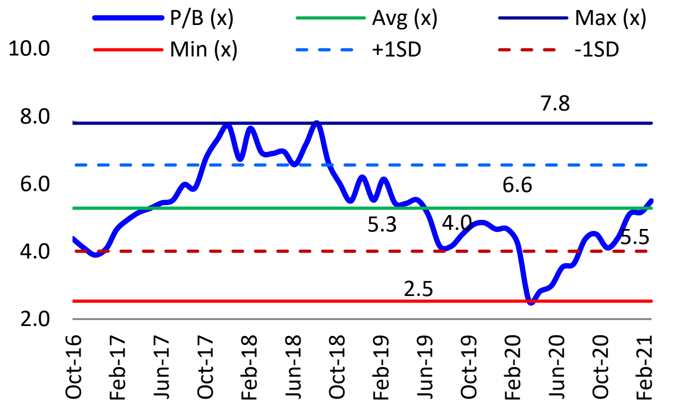
- Given ENDU's strong positioning in the 2W segment, it is the best proxy for playing the India 2W opportunity, keeping in mind the underlying trends of scooterization and premiumization. Driven by new customer wins and technology-led increase in content, we estimate ENDU to outperform the underlying 2W industry in India.
- The company offers strong management, a diverse revenue profile, improving technological content, increasing wallet share of customers, and financial discipline.
- It is one of the few Auto Ancillary companies in India to boast of a truly diversified revenue base, both in terms of product lines and customer base, but still offers a consistently respectable RoE.
- At the helm is a proven management, as evidenced in the sustained profitable growth, while entering new segments and delivering major market share gains.
- The strength in ENDU's business franchisee and strong management should help the stock continue to command premium valuation multiples v/s most domestic Auto Ancillary companies. In the domestic space, there are only a handful of high-quality, large-scale, multi-product Auto component suppliers. Considering ENDU's size and strong market share in its operating segments, the stock should command a premium to its domestic peers.

- We estimate consolidated revenue/EBITDA/PAT CAGR of ~8%/13%/18% over FY20-23E, with scope for a surprise coming in from the ramp-up in the India PV business as well as content increase in Suspension and the Braking business.
- The stock trades at 27.2x/22.3x at FY22E/FY23E consolidated EPS. Maintain **Buy** with a TP of INR1,750 per share (28x Mar'23E consolidated EPS).

Exhibit 20: Valuations – P/E and P/B trading band



Source: Bloomberg, MOFSL



Source: Bloomberg, MOFSLL

Story in charts

Exhibit 21: Trend in consolidated sales

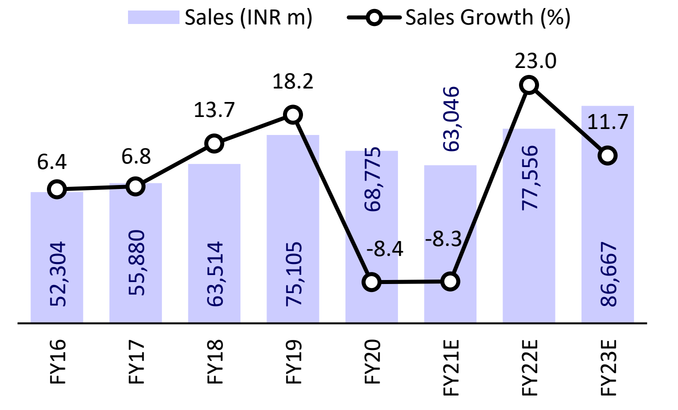


Exhibit 22: Trend in consolidated PAT

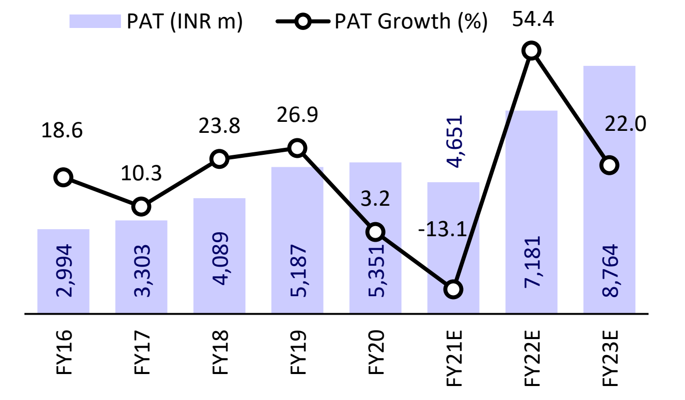


Exhibit 23: Geography-wise sales break-up FY20 (%)

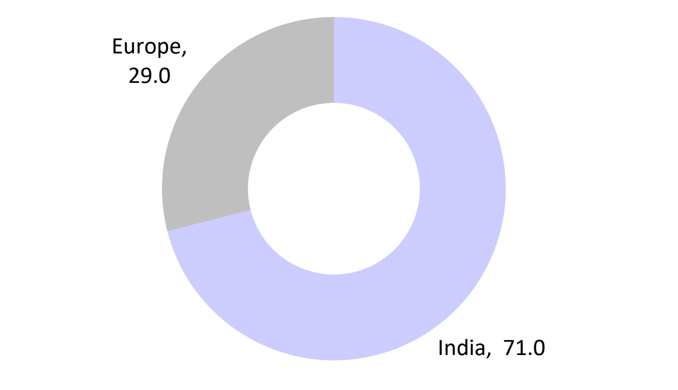


Exhibit 24: Market share in India business (%)

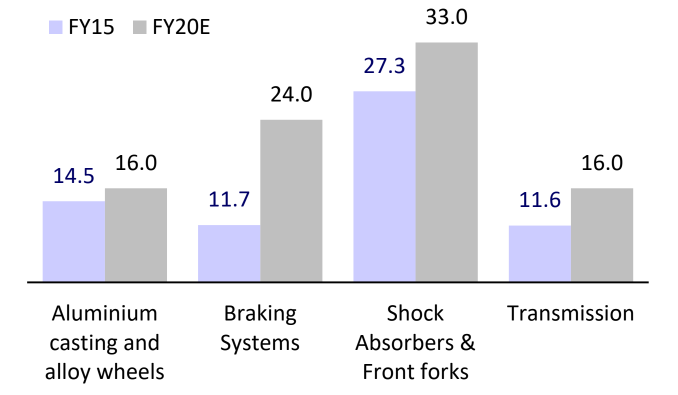


Exhibit 25: Customer-wise break-up (%)

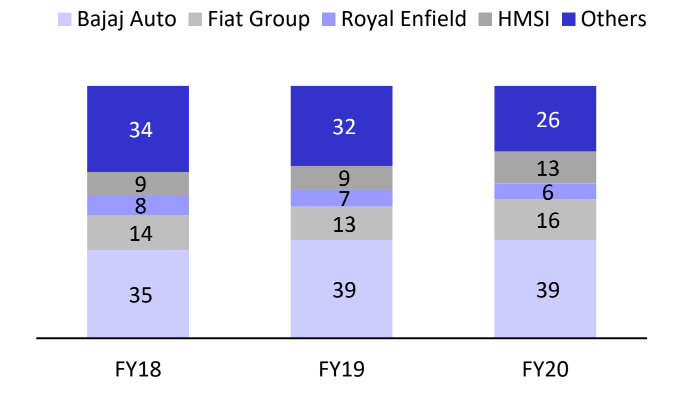
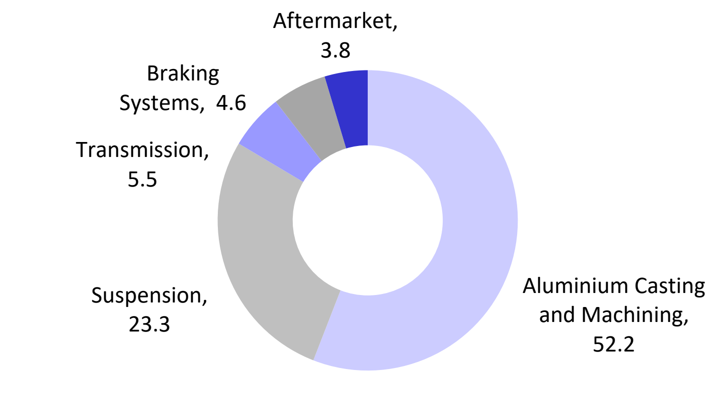


Exhibit 26: Segment-wise break-up (%, consolidated)



Financials and valuations

Consolidated - Income Statement						(INR Million)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21E**	**FY22E**	**FY23E**
Total Income from Operations	**63,514**	**75,105**	**68,775**	**63,046**	**77,556**	**86,667**
Change (%)	13.7	18.2	-8.4	-8.3	23.0	11.7
Raw Materials	36,609	43,495	37,352	33,943	42,338	47,442
Employees Cost	5,809	6,527	6,773	6,579	6,936	7,295
Other Expenses	11,817	13,795	13,744	12,584	14,824	16,154
Total Expenditure	**54,235**	**63,817**	**57,869**	**53,106**	**64,098**	**70,891**
% of Sales	85.4	85.0	84.1	84.2	82.6	81.8
EBITDA	**9,279**	**11,288**	**10,906**	**9,940**	**13,458**	**15,776**
Margin (%)	14.6	15.0	15.9	15.8	17.4	18.2
Depreciation	3,216	3,762	4,143	4,109	4,399	4,748
EBIT	**6,063**	**7,526**	**6,763**	**5,832**	**9,059**	**11,028**
Int. and Finance Charges	235	257	175	149	119	119
Other Income	235	270	476	373	570	693
PBT bef. EO Exp.	**6,062**	**7,539**	**7,064**	**6,055**	**9,510**	**11,601**
EO Items	-269	92	402	167	0	0
PBT after EO Exp.	**5,793**	**7,631**	**7,465**	**6,222**	**9,510**	**11,601**
Total Tax	1,886	2,381	1,810	1,443	2,328	2,838
Tax Rate (%)	32.6	31.2	24.2	23.2	24.5	24.5
Minority Interest	0	0	0	0	0	0
Reported PAT	**3,908**	**5,250**	**5,655**	**4,779**	**7,181**	**8,764**
Adjusted PAT	**4,089**	**5,187**	**5,351**	**4,651**	**7,181**	**8,764**
Change (%)	23.8	26.9	3.2	-13.1	54.4	22.0
Margin (%)	6.4	6.9	7.8	7.4	9.3	10.1

Consolidated - Balance Sheet						(INR Million)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21E**	**FY22E**	**FY23E**
Equity Share Capital	1,407	1,407	1,407	1,407	1,407	1,407
Preference Capital	0	0	0	0	0	0
Total Reserves	20,322	24,240	28,654	31,905	36,926	43,053
Net Worth	**21,729**	**25,647**	**30,060**	**33,312**	**38,333**	**44,459**
Minority Interest	0	0	0	0	0	0
Total Loans	5,586	5,584	5,482	4,482	3,482	3,482
Deferred Tax Liabilities	17	161	79	79	79	79
Capital Employed	**27,332**	**31,392**	**35,621**	**37,873**	**41,893**	**48,020**
Gross Block	25,218	32,159	40,629	43,629	48,379	54,379
Less: Accum. Deprn.	8,286	12,048	16,190	20,299	24,698	29,446
Net Fixed Assets	**16,932**	**20,112**	**24,439**	**23,330**	**23,681**	**24,933**
Goodwill on Consolidation	1,577	1,520	1,624	1,624	1,624	1,624
Capital WIP	592	1,178	1,260	1,260	1,260	1,260
Total Investments	**459**	**361**	**1,660**	**1,660**	**1,660**	**1,660**
Curr. Assets, Loans&Adv.	**23,852**	**24,690**	**21,716**	**23,821**	**30,671**	**37,543**
Inventory	4,939	5,400	5,501	5,043	6,203	6,932
Account Receivables	9,688	9,251	6,727	6,167	7,586	8,478
Cash and Bank Balance	5,027	5,379	6,209	9,605	13,184	18,002
Loans and Advances	4,198	4,660	3,279	3,005	3,697	4,131
Curr. Liability & Prov.	**16,081**	**16,468**	**15,078**	**13,822**	**17,003**	**19,001**
Account Payables	11,284	11,735	10,662	9,774	12,024	13,436
Other Current Liabilities	4,409	3,783	3,305	3,030	3,727	4,165
Provisions	388	950	1,111	1,018	1,253	1,400
Net Current Assets	**7,771**	**8,222**	**6,638**	**9,999**	**13,668**	**18,543**
Appl. of Funds	**27,332**	**31,392**	**35,621**	**37,873**	**41,893**	**48,020**

Financials and Valuations

Ratios						(INR Million)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21E**	**FY22E**	**FY23E**
Basic (INR)						
EPS	**29.1**	**36.9**	**38.0**	**33.1**	**51.1**	**62.3**
BV/Share	154.5	182.3	213.7	236.8	272.5	316.1
DPS	4.0	5.5	9.5	8.3	12.8	15.6
Payout (%)	17.3	17.7	28.5	29.3	30.1	30.1
Valuation (x)						
P/E	47.7	37.6	36.5	41.9	27.2	22.3
P/BV	9.0	7.6	6.5	5.9	5.1	4.4
EV/Sales	3.1	2.6	2.8	3.0	2.4	2.1
EV/EBITDA	21.1	17.3	17.8	19.1	13.8	11.4
Dividend Yield (%)	0.3	0.4	0.7	0.6	0.9	1.1
FCF per share	22.4	15.7	33.0	39.3	44.7	48.9
Return Ratios (%)						
RoE	21.0	21.9	19.2	14.7	20.0	21.2
RoCE	16.5	18.3	16.4	13.0	18.3	19.7
RoIC	19.4	22.6	20.1	17.3	26.8	31.5
Working Capital Ratios						
Fixed Asset Turnover (x)	2.5	2.3	1.7	1.4	1.6	1.6
Asset Turnover (x)	2.3	2.4	1.9	1.7	1.9	1.8
Inventory (Days)	28	26	29	29	29	29
Debtor (Days)	56	45	36	36	36	36
Creditor (Days)	65	57	57	57	57	57
Leverage Ratio (x)						
Net Debt/Equity	0.0	0.0	-0.1	-0.2	-0.3	-0.4

Consolidated - Cash Flow Statement

Y/E March	FY18	FY19	FY20	FY21E	FY22E	FY23E
OP/(Loss) before Tax	5,793	7,331	7,466	6,055	9,510	11,601
Depreciation	3,216	3,762	4,143	4,109	4,399	4,748
Interest & Finance Charges	215	233	169	-224	-451	-573
Direct Taxes Paid	-2,095	-2,337	-2,256	-1,443	-2,328	-2,838
(Inc)/Dec in WC	-18	305	538	36	-90	-57
CF from Operations	**7,111**	**9,294**	**10,060**	**8,533**	**11,039**	**12,882**
Others	310	-310	54	0	0	0
CF from Operating incl EO	**7,421**	**8,983**	**10,114**	**8,533**	**11,039**	**12,882**
(Inc)/Dec in FA	-4,264	-6,776	-5,472	-3,000	-4,750	-6,000
Free Cash Flow	**3,157**	**2,207**	**4,642**	**5,533**	**6,289**	**6,882**
(Pur)/Sale of Investments	-104	137	-1,243	0	0	0
CF from Investments	**-4,355**	**-7,252**	**-6,706**	**-2,627**	**-4,180**	**-5,308**
Issue of Shares	0	0	0	0	0	0
Inc/(Dec) in Debt	396	-762	-542	-1,000	-1,000	0
Interest Paid	-208	-233	-169	-149	-119	-119
Dividend Paid	-423	-678	-1,865	-1,399	-2,161	-2,637
CF from Fin. Activity	-236	-1,673	-2,576	-2,549	-3,280	-2,756
Inc/Dec of Cash	**2,830**	**59**	**832**	**3,357**	**3,579**	**4,818**
Opening Balance	2,196	5,026	5,377	6,209	9,566	13,145
Closing Balance	**5,026**	**5,084**	**6,209**	**9,566**	**13,145**	**17,963**

NOTES

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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