

Motherson Sumi

Estimate changes



TP change



Rating change



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Bloomberg	MSS IN
Equity Shares (m)	3,158
M.Cap.(INRb)/(USD\$b)	849.8 / 11.6
52-Week Range (INR)	273 / 87
1, 6, 12 Rel. Per (%)	19/59/111
12M Avg Val (INR M)	2749

Financials & Valuations (INR b)

Y/E March	2021	2022E	2023E
Sales	601.9	776.2	865.3
EBITDA	49.7	88.6	107.3
Adj. PAT	10.7	27.5	37.0
EPS (Rs)	3.4	8.7	11.7
EPS Growth (%)	-8.2	155.9	34.6
BV/Share (Rs)	39.8	46.1	54.7

Ratios

Net D:E	0.4	0.0	-0.3
RoE (%)	9.0	20.3	23.2
RoCE (%)	7.9	16.0	18.7
Payout (%)	45.1	27.0	27.0

Valuations

P/E (x)	79.1	30.9	23.0
P/BV (x)	6.8	5.8	4.9
Div. Yield (%)	0.6	0.9	1.2
FCF Yield (%)	2.2	5.6	6.2

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	61.7	61.7	61.7
DII	13.4	14.3	13.6
FII	16.6	16.1	15.5
Others	8.2	7.9	9.2

FII Includes depository receipts

CMP: INR269 TP: INR300 (+11%)
Buy

Strong performance in SMP / India; raising estimates

Strong order book in SMRPBV, recovery in India PV/US CV improves visibility

- MSS' 4QFY21 performance was a beat led by strong performance in India and SMP, as well as lower tax. MSS would continue to benefit from a cyclical recovery in its key businesses as well as from a strong order book and improving efficiencies in SMRPBV.
- We upgrade our FY22E/FY23E EPS by 16%/20%, factoring in a strong recovery in SMP, India, and PKC, as well as a lower tax rate. We maintain our Buy rating with a TP of ~INR300 per share (Mar'23E SoTP).

Strong recovery continues, driving debt reduction

- Our analysis includes Wiring Harness in India and consolidated financials to make it comparable and relevant to the current listed entity.
- Consolidated revenue/EBITDA/adjusted PAT grew 19%/44%/290% YoY to INR179.9b/INR20b/INR7.1b in 4QFY21. The same in FY21 declined 5%/4%/8% to INR602b/INR49.7b/INR10.7b.
- India standalone business grew 33.5% YoY (+11% QoQ) to INR23b (est. INR21.7b). EBITDA margin improved 70bp YoY (+10bp QoQ) to 18.5% (est. 17.2%). Higher tax restricted PAT to ~INR2.45b (est. INR2.3b), a decline of 36.5% YoY.
- Revenue from SMP grew 6% YoY to ~EUR991m (est. EUR935m). EBITDA margin expanded 450bp YoY (-80bp QoQ) to 8.7% (est. 7.3%). Revenue declined 13% YoY to EUR3.5b in FY21.
- Revenue from SMR was flat YoY at EUR371m (est. EUR349m) and EBITDA margin declined 170bp YoY (30bp QoQ) to 12.9% (est. 12.8%). Revenue declined 16.5% YoY to EUR1.3b in FY21.
- Revenue from PKC grew 21% YoY (10% QoQ) to EUR314m (est. EUR290m) and EBITDA margin was flat YoY (-140bp QoQ) at 8% (est. 9.8%). Revenue declined 13% YoY to EUR1.04b in FY21.
- SAMIL's business performance (pro-rata basis) continues to recover, with 4QFY21 revenue growing 16% QoQ to INR6.4b and EBITDA margin at 11.4% (-230bp QoQ). Net debt stood at INR12.9b.
- **Consolidated net debt** stood at INR60.9b v/s INR75.2b QoQ, driven by strong operating performance and reduction in working capital at SMRPBV.
- It declared a dividend of INR1.5/share for FY21 (same as FY20).

Highlights from the management commentary

- The **order book** for SMRPBV witnessed a sharp improvement in 2HFY21, with gross new order intake of EUR4.5b and net order book of EUR15.6b (v/s EUR13.1b as of Sep'20). BEVs constitutes 25% of the order book.
- **India DWH:** Copper price inflation has a lower impact on DWH margin due to a favorable mix as 2Ws/PVs have lower copper content than CVs and supported by cost pass through.

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- **PKC:** Margin was impacted due to copper price inflation as pass through comes with a lag (3-6 months) and copper content is higher in CVs. Strong demand recovery led to supply-chain challenges, resulting in higher cost.
- Performance of **SMP's greenfield plants** continues to improve in both the US and Hungary. It expects to break even at the PBT level very soon.
- **SMRPBV capex:** FY22E capex should be EUR200-225m (including maintenance capex of EUR150-175m) for supporting a new program and productivity improvements. The management reiterated that the order book of EUR15.6b doesn't require any greenfield plant.

Valuation and view

- Our positive view on MSS remains intact (cyclical recovery + turnaround in the greenfield plant + execution of a strong order book of SMRPBV)
- The stock trades at 30.9x/23x FY22E/FY23E consolidated EPS. We have increased our target P/E multiple for SMRPBV and PKC to 23x (v/s 20x earlier) due to improved visibility of a sustained recovery. We maintain our Buy rating with a TP of ~INR300 per share (Mar'23E SoTP).

Quarterly performance (consolidated including DWH)

(INR b)

Y/E March	FY20				FY21				FY20	FY21	FY21E 4QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Net Sales	167.9	159.2	156.6	151.6	85.0	156.7	180.3	179.9	635.4	601.9	174.9
YoY Change (%)	13.7	5.4	-4.9	-11.7	-49.4	-1.6	15.1	18.7	0.0	-5.3	15.4
EBITDA	12.6	13.2	12.4	13.9	-6.3	15.5	20.4	20.1	52.0	49.7	17
Margin (%)	7.5	8.3	7.9	9.2	-7.4	9.9	11.3	11.2	8.2	8.3	9.8
Depreciation	6.4	6.6	6.9	7.9	7.1	7.6	7.6	7.8	27.8	30.1	7.9
Interest	1.6	1.3	1.8	1.4	1.1	1.4	1.5	1.5	6.0	5.4	1.5
Other income	0.5	0.8	0.8	0.2	0.5	0.4	0.4	0.4	2.3	1.7	0.6
PBT before EO expense	5.2	6.2	4.4	4.8	-14.1	6.4	11.7	11.2	20.6	15.3	8.4
Tax rate (%)	34.3	30.1	27.8	69.7	15.2	27.1	-5.7	11.1	39.8	2.1	35.7
Min. int. and share of profit	0.1	0.5	0.5	-0.4	-3.8	1.1	4.4	2.8	0.7	4.5	1.0
Adj. PAT	3.3	3.8	2.7	1.8	-8.1	3.7	8.0	7.1	11.7	10.7	4.4
YoY Change (%)	-25.2	3.6	-30.5	-55.3	-344.4	-3.3	195.0	289.5	-27.5	-8.2	137.8

E: MOFSL estimates

Key performance indicators

(INR b)

Y/E March	FY20				FY21				FY20	FY21	FY21E 4QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Business-wise revenue											
India (MSS standalone incl. DWH)	18.4	16.5	16.3	17.2	4.4	17.1	20.7	23.0	68.7	65.2	21.7
PKC	25.7	24.0	22.4	20.7	14.6	22.9	24.8	27.6	93.4	89.9	26.8
SMR	31.5	30.4	29.8	29.6	15.0	30.4	33.9	32.6	121.4	111.4	32.1
SMP	84.3	79.1	80.2	74.3	46.0	79.5	93.6	87.0	317.4	304.8	82.5
Others	8.0	9.2	8.0	9.7	5.0	6.8	7.3	9.7	35.3	30.7	7.8
Net revenue	167.9	159.2	156.6	151.6	85.0	156.7	180.3	179.9	636.2	601.9	170.9

Business-wise EBITDA margin (%)

India (MSS standalone incl. DWH)	17.0	15.1	16.9	17.8	-26.3	16.3	18.4	18.5	16.0	14.9	17.2
PKC	10.0	11.7	9.5	8.1	-4.0	8.7	9.4	8.0	10.2	6.6	9.8
SMR	11.2	11.1	10.6	14.6	-2.8	13.4	13.2	12.9	11.7	11.0	12.8
SMP	2.7	4.2	4.8	4.2	-8.3	7.2	9.5	8.7	3.9	5.8	7.3
Others	13.3	13.4	5.9	17.9	-6.0	13.6	12.1	19.0	-1.7	-5.9	14.8
Consolidated EBITDA margin	7.5	8.3	7.9	9.2	-7.4	9.9	11.3	11.2	7.3	7.2	10.3

Quarterly performance (standalone including DWH, INR b)

Y/E March	FY20				FY21				FY20	FY21	FY21E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Net Sales	18.4	16.5	16.3	17.2	4.4	17.1	20.7	23.0	68.7	65.2	21.7
YoY Change (%)	-8.0	-17.2	-6.0	-7.1	-76.2	3.7	27.2	33.5	-9.3	-5.2	23.9
EBITDA	3.1	2.5	2.7	3.1	-1.2	2.8	3.8	4.3	11.0	9.7	3.7
Margin (%)	17.0	15.1	16.9	17.8	-26.3	16.3	18.4	18.5	16.0	14.9	17.2
PBT after EO Expense	2.5	2.2	2.3	5.0	-1.8	1.9	3.1	3.5	11.6	6.8	3.0
Tax	0.8	0.4	0.4	1.0	-0.5	0.4	0.7	1.1	2.6	1.6	0.7
Tax Rate (%)	31.1	19.9	17.3	20.2	29.9	19.7	20.7	30.8	22.6	23.1	24.2
Adj. PAT	1.7	1.7	1.9	4.0	-1.3	1.7	2.5	2.5	9.0	5.4	2.3
YoY Change (%)	-8.5	-36.3	33.4	88.3	-172.8	-1.4	31.8	-38.3	10.5	-39.9	-42.6

E: MOFSL estimates

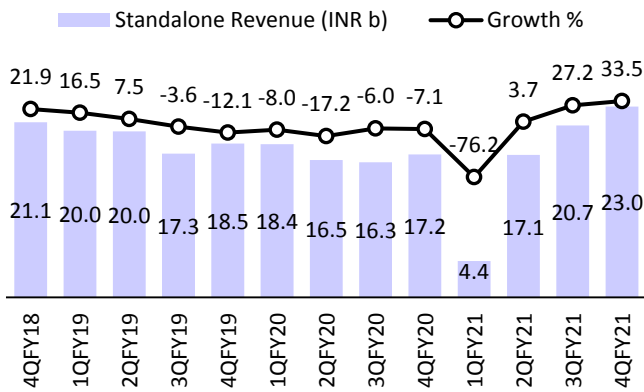


Key highlights from the management interaction

- **Semiconductor shortage** is impacting end Car makers and in turn MSS. The highest impact is on Car makers, with CVs being the least affected. This would be a short-term issue and it expects the same to get sorted in 1QFY22.
- **India DWH:** Copper price inflation has a lower impact on DWH margin due to a favorable mix as 2Ws/PVs have lower copper content than CVs and supported by cost pass through.
- **PKC:** Margin was impacted due to copper price inflation as pass through comes with a lag (3-6 months) and copper content is higher in CVs. Strong demand recovery led to supply-chain challenges, resulting in higher cost.
- Performance of **SMP's greenfield plants** continues to improve in both the US and Hungary. It expects to break even at the PBT level very soon. These plants have won new orders as well.
- **SMRPBV capex:** It incurred a capex of EUR164 during FY21 for supporting a new program and productivity improvements. FY22E capex should be EUR200-225m (including maintenance capex of EUR150-175m). The management reiterated that the order book of EUR15.6b doesn't require any greenfield plant as the current order book can be serviced from existing facilities.
- **Working capital reduction:** It reduced WC to EUR32m during FY21 (v/s EUR123m/EUR284m in FY20/FY19). It expects core WC to remain lower.
- **Engineering unbilled** revenue is at the lowest level since all major projects have started. While there could be marginal increase, it should stay around similar levels.
- The **order book** for SMRPBV witnessed a sharp improvement in 2HFY21, with gross new order intake of EUR4.5b and net order book of EUR15.6b (v/s EUR13.1b as of Sep'20). BEVs constitutes 25% of the order book. It is also launching a camera program for EVs, but the number of units is very small. EV sales are currently in mid-single digits.
- **SMRPBV's tax rate** will be at 25-27%, excluding deferred tax assets. There would be no major benefit of DTA in FY22E.

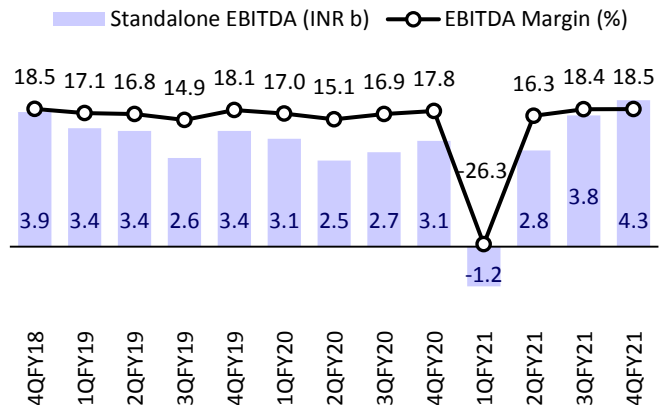
Key exhibits

Exhibit 1: Trend in standalone revenue and growth



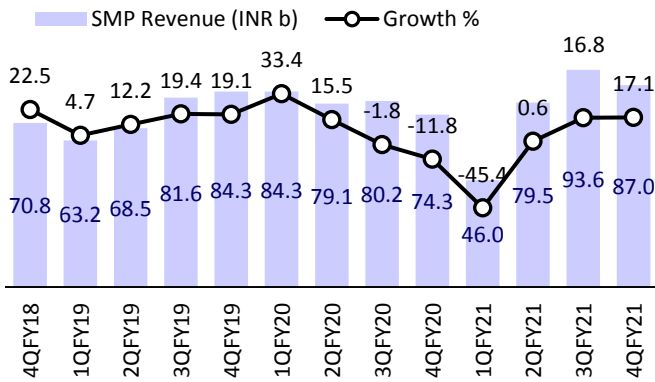
Source: Company, MOFSL

Exhibit 2: Standalone EBITDA and EBITDA margin



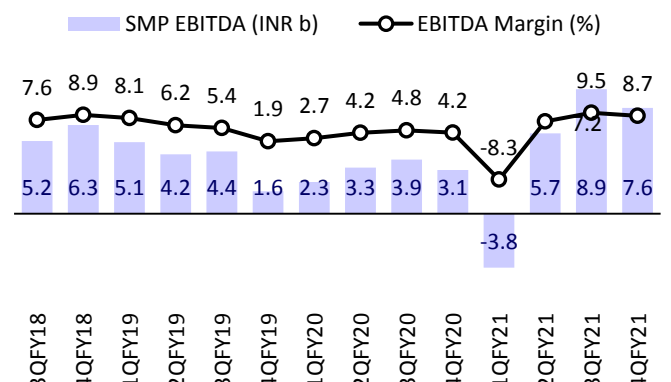
Source: Company, MOFSL

Exhibit 3: Trend in SMP's revenue and growth



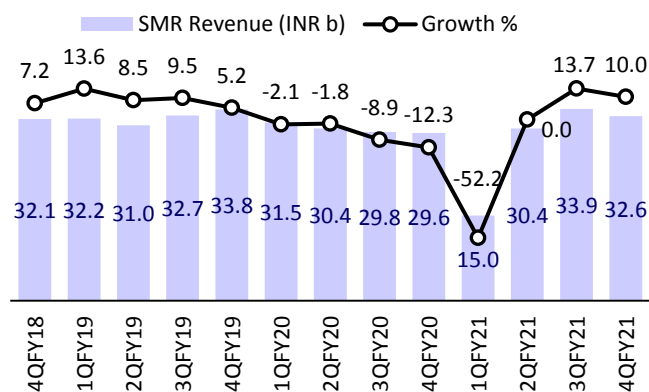
Source: Company, MOFSL

Exhibit 4: SMP's EBITDA and EBITDA margin



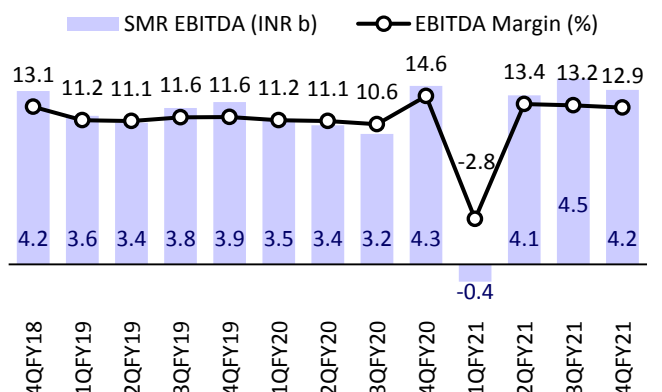
Source: Company, MOFSL

Exhibit 5: SMR's revenue and growth



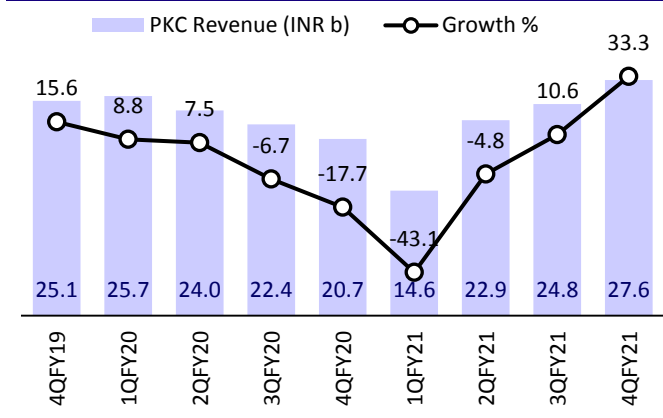
Source: Company, MOFSL

Exhibit 6: SMR's EBITDA and EBITDA margin



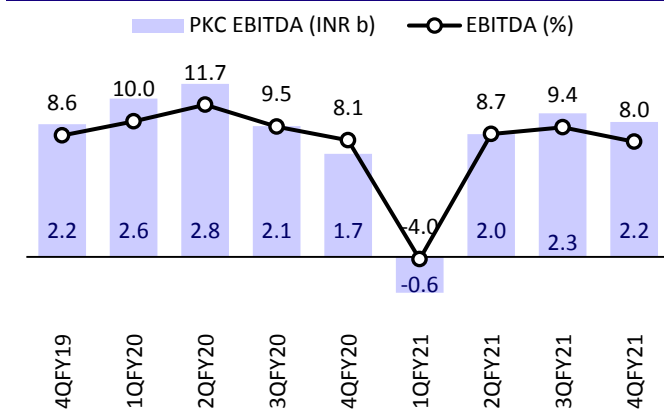
Source: Company, MOFSL

Exhibit 7: PKC's revenue and growth



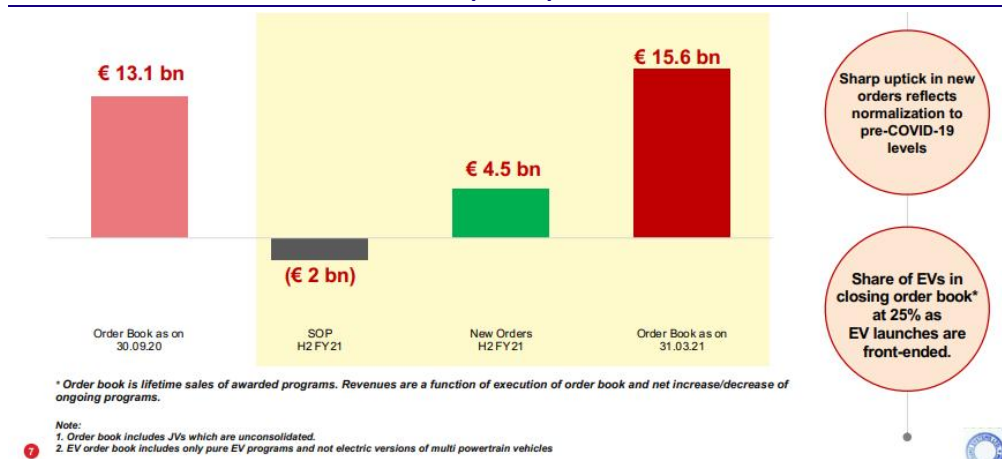
Source: Company, MOFSL

Exhibit 8: PKC's EBITDA and EBITDA margin



Source: Company, MOFSL

Exhibit 9: SMRPBV: Order book accretion picks up in 2HFY21; EVs form 25% of order book



Source: Company

Valuation and view

- On the right side of the global automotive megatrends:** The global Automotive industry is on 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. With its diverse product base and market presence, MSS is set to leverage these trends to drive its next wave of growth.
- Cyclical recovery in all key businesses:** All key businesses are on the cusp of a cyclical recovery, with India PVs, global PVs, and US/EU CVs well placed for a recovery in FY22E. MSS enjoys strong positioning in its respective product categories (in the first or second place) and hence would benefit from this expected cyclical recovery. This would drive operating leverage, particularly in its overseas businesses.
- SMRPBV – fully prepared for growth:** SMRPBV's order book growth lends us comfort in building a faster recovery for SMRPBV. As of Mar'21, the order book stood at EUR15.6b (with 25% of order book coming from BEVs). SMP offers revenue visibility, with orders on hand and capacity ready to execute those orders. Over the next 6-9 months, both of SMP's greenfield plants in Hungary and USA would ramp up and achieve PBT breakeven. We estimate SMP's

revenue to increase by ~18% CAGR (over FY21) to EUR4.9b by FY23E and EBITDA margin to expand 4500bp to ~10.3% by FY23E, driven by improving efficiencies and operating leverage. SMR continues to be the numero uno PV mirror company globally and has gained share across markets through continuous innovation. We estimate SMR's revenue to recover at 14.5% CAGR over FY21-23E and EBITDA margin to expand by 300bp to 14% by FY23E (led by mix).

- **Standalone business on a strong footing with increasing content:** The India Wiring Harness business is likely to grow faster than the PV industry, led by an increase in content (due to ongoing premiumization). BS-VI has increased the complexity of wiring harnesses and increased value by 10-20%. It has also opened the 2W segment for MSS, as 2Ws shift to electronic fuel injection systems with more sensors. MSS is already the market leader in the 2W wiring harness in the EU. The India Polymer (MATE) and Elastomer (MAE) businesses are evolving from supporting to core businesses to growth drivers. The Polymer business is focusing on leveraging its strengths in export markets, such as South Africa, for global OEMs. India business is estimated to grow at 22% CAGR over FY21-23E and EBITDA margin is expected to expand 470bp to 19.6% (mix and operating leverage led).
- **PKC – cyclical downturn ahead:** After benefitting from strong growth for Class 8 trucks in the US, PKC is staring at a cyclical downturn in its biggest market (~45% of revenue). PKC is also highly focused on the world's largest truck market – China – where it has three JVs targeting different customers. PKC entered the Rolling Stock business (~USD2b opportunity) in CY15. PKC already has a global partnership with Bombardier since CY16 and is working with other OEMs to develop a global supply chain for electrical systems in rolling stocks. PKC revenue is estimated to expand at 17.5% CAGR over FY21-23E, although we expect margin to improve to 12.8% (v/s 10.2% in FY20).
- **Business reorganization to drive better value discovery in the global business:** MSS' proposed reorganization of the business to simplify the group structure is on track, with demerger of the Wiring Harness business expected in Sep'21 and listing of the same by Oct'21. The proposed structure would create two listed entities: a) India Wiring Harness business, and b) Global + other India businesses. This would drive better value discovery in the global business and also give minority shareholders the option of investing in either or both businesses.
- **Valuation and view:** We upgrade our FY22E/FY23E EPS by 16%/20% to factor in a strong recovery in SMP, India, and PKC, as well as a lower tax rate. Our positive view on MSS remains intact (industry recovery + turnaround in the greenfield plant + execution of a strong order book of SMRPBV). The stock trades at 30.9x/23x FY22E/FY23E consolidated EPS. We have increased our target P/E multiple for SMRPBV and PKC to 23x (v/s 20x earlier) due to improved visibility of a sustained recovery. We maintain our Buy rating with a TP of ~INR300 per share (Mar'23E SoTP).

Exhibit 10: Revised forecast (consolidated)

(INR m)	FY22E			FY23E		
	Revised	Old	Change (%)	Revised	Old	Change (%)
Net sales	7,76,155	7,44,589	4.2	8,65,285	8,24,888	4.9
EBITDA	88,628	83,216	6.5	1,07,259	1,00,170	7.1
EBITDA (%)	11.4	11.2	20bp	12.4	12.1	30bp
Adjusted PAT	27,472	23,669	16.1	36,972	30,873	19.8
EPS (INR)	8.7	7.5	16.1	11.7	9.8	19.8

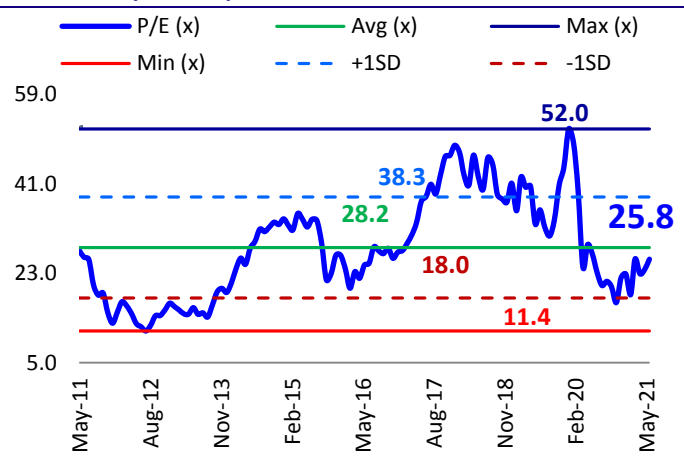
Source: Company, MOFSL

Exhibit 11: SoTP-based target price

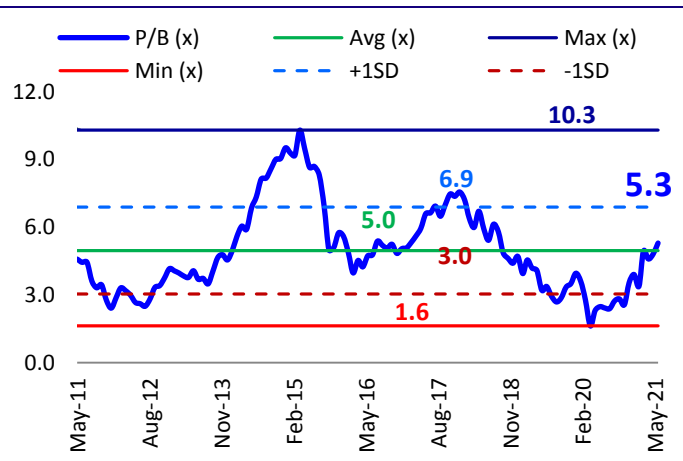
INR per share	Target P/E (x)	FY22E	FY23E
Equity value			
MSS (standalone)	30	99	121
PKC	23	45	66
SMRPBV	23	87	114
Target price (INR/share)		231	300
Upside (%)		-14.1	11.4

Source: Company, MOFSL

Exhibit 12: P/E and P/B band



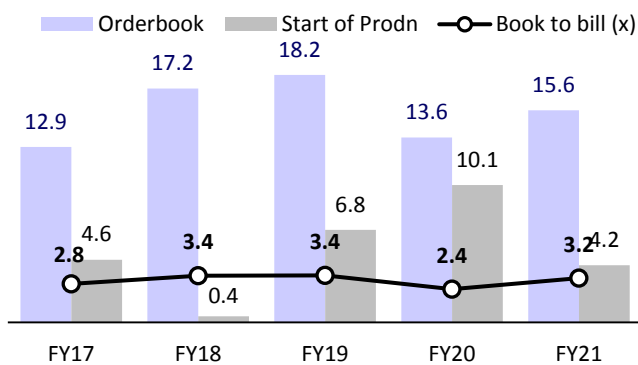
Source: MOFSL



Source: MOFSL

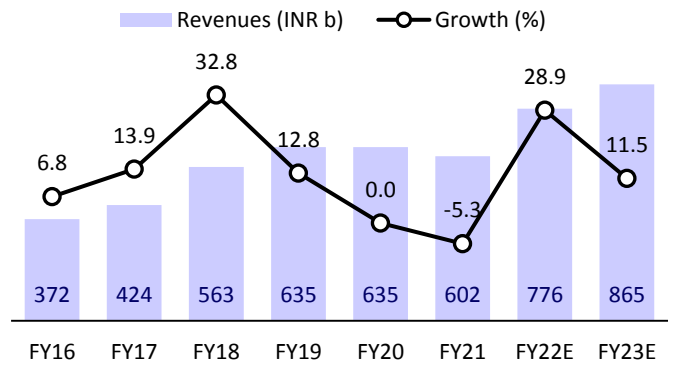
Stories in chart

Exhibit 13: Trend in SMRPBV's order book (EUR b)



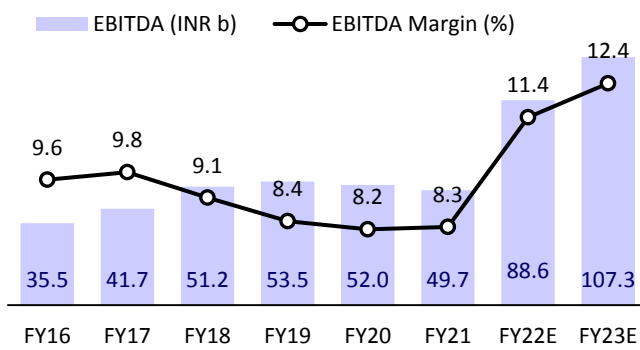
Source: Company, MOFSL

Exhibit 14: Revenue and growth trend



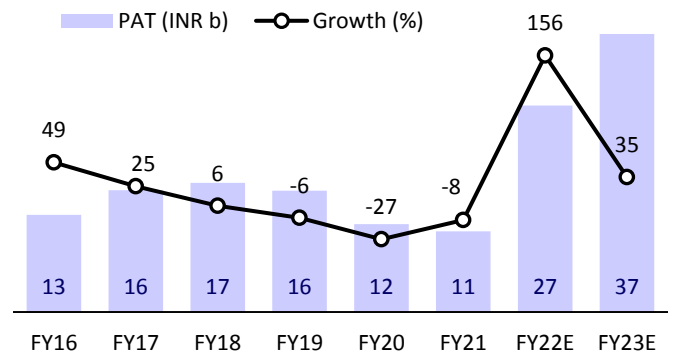
Source: Company, MOFSL

Exhibit 15: Consolidated EBITDA and margin trend



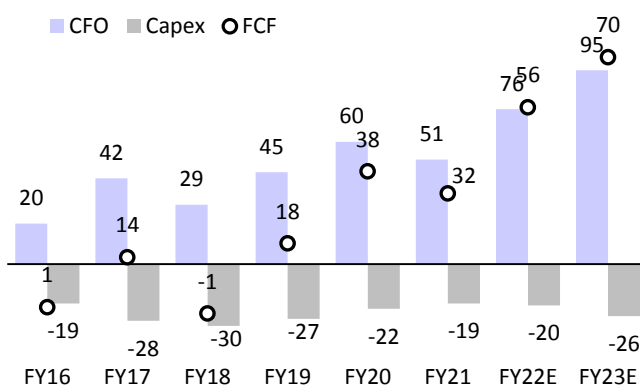
Source: Company, MOFSL

Exhibit 16: Consolidated PAT growth trend



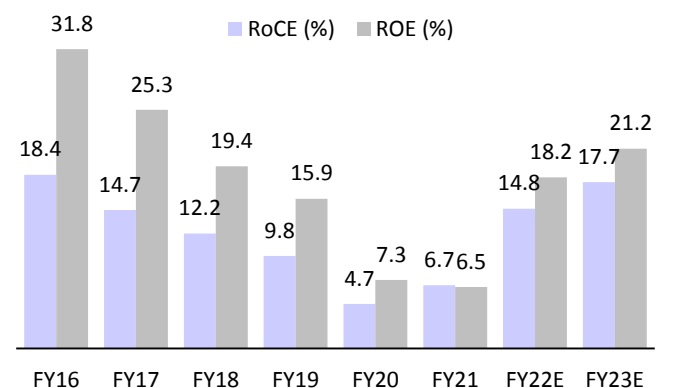
Source: Company, MOFSL

Exhibit 17: FCF generation to improve



Source: Company, MOFSL

Exhibit 18: Trend in return profile



Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement							(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Total Income from Operations	4,23,755	5,62,933	6,35,229	6,35,369	6,01,946	7,76,155	8,65,285
Change (%)	13.9	32.8	12.8	0.0	-5.3	28.9	11.5
Raw Materials	2,57,507	3,43,121	3,67,383	3,62,715	3,43,488	4,43,393	4,76,644
Employees Cost	80,909	1,10,678	1,41,694	1,50,769	1,45,736	1,67,597	1,92,736
Other Expenses	43,671	57,908	72,668	69,872	63,021	76,538	88,646
Total Expenditure	3,82,087	5,11,707	5,81,745	5,83,355	5,52,245	6,87,527	7,58,026
% of Sales	90.2	90.9	91.6	91.8	91.7	88.6	87.6
EBITDA	41,668	51,226	53,484	52,014	49,700	88,628	1,07,259
Margin (%)	9.8	9.1	8.4	8.2	8.3	11.4	12.4
Depreciation	10,590	15,752	20,582	27,780	30,086	31,517	33,302
EBIT	31,078	35,474	32,902	24,234	19,614	57,111	73,958
Interest Charges	3,749	4,108	4,232	5,986	5,419	4,745	4,261
Other Income	2,642	1,701	2,202	2,307	1,707	2,550	2,550
PBT after EO Exp.	28,997	31,290	30,872	20,554	15,280	54,915	72,247
Total Tax	9,103	10,072	11,022	8,184	327	15,376	20,229
Tax Rate (%)	31.4	32.2	35.7	39.8	2.1	28.0	28.0
Minority Interest	4,350	5,249	3,719	669	4,454	12,067	15,046
Reported PAT	15,543	15,970	16,132	11,700	10,499	27,472	36,972
Adjusted PAT	16,058	17,024	16,132	11,700	10,737	27,472	36,972
Change (%)	24.3	6.0	-5.2	-27.5	-8.2	155.9	34.6
Margin (%)	3.8	3.0	2.5	1.8	1.8	3.5	4.3

Consolidated Balance Sheet							(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Equity Share Capital	1,404	2,105	3,158	3,158	3,158	3,158	3,158
Total Reserves	53,265	63,015	78,412	81,394	94,390	1,14,445	1,41,434
Net Worth	82,727	93,178	1,09,627	1,12,609	1,25,606	1,45,661	1,72,650
Minority Interest	22,322	29,600	34,797	35,650	40,233	53,800	70,846
Total Loans	1,01,418	94,770	1,09,428	1,19,651	1,07,580	85,261	82,261
Deferred Tax Liabilities	-5,024	-6,266	-6,123	-5,030	-10,224	-10,224	-10,224
Capital Employed	2,01,443	2,11,282	2,47,730	2,62,881	2,63,195	2,74,498	3,15,533
Gross Block	1,35,237	1,74,332	1,91,445	2,23,132	2,65,821	2,86,074	3,11,592
Less: Accum. Deprn.	33,590	51,138	71,720	83,261	1,13,347	1,44,864	1,78,166
Net Fixed Assets	1,01,647	1,23,194	1,19,725	1,39,871	1,52,474	1,41,209	1,33,426
Goodwill	19,379	22,646	22,118	24,060	24,718	24,718	24,718
Capital WIP	19,348	25,849	10,463	8,154	8,383	8,383	8,383
Total Investments	684	2,467	2,389	1,614	1,288	1,288	1,288
Curr. Assets, Loans and Adv.	1,37,061	1,33,905	1,57,377	1,63,943	1,78,716	2,20,946	2,91,206
Inventory	30,716	40,132	46,635	51,566	49,956	53,161	59,266
Account Receivables	46,552	56,236	61,663	51,784	56,931	70,173	78,231
Cash and Bank Balance	48,866	27,816	35,469	48,789	59,062	81,771	1,36,048
Loans and Advances	10,927	9,722	13,610	11,804	12,768	15,841	17,661
Curr. Liability and Prov.	1,17,230	1,57,430	1,79,449	1,87,047	2,07,430	2,27,093	2,48,534
Account Payables	73,003	90,640	1,06,613	1,03,091	1,11,407	1,24,775	1,39,748
Other Current Liabilities	42,600	65,168	70,371	81,151	89,575	96,352	1,02,135
Provisions	1,628	1,622	2,465	2,805	6,449	5,966	6,651
Net Current Assets	19,831	-23,525	-22,072	-23,104	-28,714	-6,147	42,672
Misc. Expenditure	40,554	60,652	1,15,107	1,12,286	1,05,047	1,05,047	1,05,047
Appl. of Funds	2,01,443	2,11,282	2,47,730	2,62,881	2,63,195	2,74,498	3,15,533

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Basic (INR)							
EPS	5.1	5.4	5.1	3.7	3.4	8.7	11.7
BV/Share	26.2	29.5	34.7	35.7	39.8	46.1	54.7
DPS	0.9	1.5	1.5	1.5	1.5	2.3	3.2
Payout (%)	23.6	34.6	34.2	47.2	45.1	27.0	27.0
Valuation (x)							
P/E	52.9	49.9	52.7	72.6	79.1	30.9	23.0
P/BV	10.3	9.1	7.8	7.5	6.8	5.8	4.9
EV/Sales	1.6	1.6	2.1	2.1	2.2	1.6	1.4
EV/EBITDA	14.4	16.3	22.0	22.7	25.0	13.6	10.6
Dividend Yield (%)	0.3	0.6	0.6	0.6	0.6	0.9	1.2
FCF per share (Eco. Int. basis)	5.5	2.8	4.8	10.1	5.8	15.0	16.7
Return Ratios (%)							
RoE	25.3	19.4	15.9	10.5	9.0	20.3	23.2
RoCE (post-tax)	14.7	12.2	9.8	6.3	7.9	16.0	18.7
RoIC	20.0	16.7	11.9	7.2	9.6	21.8	30.2
Working Capital Ratios							
Fixed Asset Turnover (x)	3.1	3.2	3.3	2.8	2.3	2.7	2.8
Asset Turnover (x)	2.1	2.7	2.6	2.4	2.3	2.8	2.7
Inventory (Days)	26	26	27	30	30	25	25
Debtor (Days)	40	36	35	30	35	33	33
Creditor (Days)	63	59	61	59	68	59	59
Leverage Ratio (x)							
Current Ratio	1.2	0.9	0.9	0.9	0.9	1.0	1.2
Interest Coverage Ratio	8.3	8.6	7.8	4.0	3.6	12.0	17.4
Net Debt/Equity	0.6	0.7	0.7	0.6	0.4	0.0	-0.3

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
OP/(Loss) before Tax	31,801	34,448	32,003	21,129	16,129	54,915	72,247
Depreciation	10,591	15,752	20,582	27,780	29,764	31,517	33,302
Interest and Finance Charges	3,324	3,777	3,878	5,626	4,544	4,745	4,261
Direct Taxes Paid	-8,433	-10,048	-10,498	-10,776	-5,600	-15,376	-20,229
(Inc.)/Dec. in WC	4,813	-14,820	-958	16,202	6,432	142	5,459
CF from Operations	42,096	29,109	45,007	59,959	51,268	75,943	95,039
Others	-4,099	3,531	-1,883	3,561	-757	1,500	2,000
CF from Operating incl. EO	37,997	32,640	43,124	63,521	50,512	77,443	97,039
(Inc.)/Dec. in FA	-27,789	-30,308	-26,853	-21,943	-19,325	-20,253	-25,518
Free Cash Flow	10,208	2,332	16,271	41,578	31,187	57,190	71,521
(Pur.)/Sale of Investments	-39,675	-2,876	-7,230	-1,210	-45	0	0
Others	203	1,243	978	753	436	0	0
CF from Investments	-67,261	-31,941	-33,105	-22,399	-18,934	-20,253	-25,518
Issue of Shares	25,277	0	0	0	0	0	0
Inc./Dec. in Debt	34,092	-9,471	8,147	-6,214	-11,324	-22,319	-3,000
Interest Paid	-3,471	-3,944	-4,159	-5,667	-4,141	-4,745	-4,261
Dividend Paid	-826	-6,332	-6,395	-12,794	-1,576	-7,417	-9,982
Others	5,308	-2,018	81	-3,157	-4,164	0	0
CF from Fin. Activity	60,380	-21,765	-2,326	-27,832	-21,205	-34,481	-17,244
Inc./Dec. in Cash	31,116	-21,066	7,693	13,289	10,373	22,709	54,278
Opening Balance	17,656	48,772	27,706	35,399	48,688	59,062	81,771
Closing Balance	48,772	27,706	35,399	48,688	59,062	81,771	1,36,048

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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