JAMNA AUTO INDUSTRIES LIMITED | Auto Components

Riding the CV cycle...

LKP

Jamna Auto Industries (Jamna) is a beneficiary of the ongoing positivity in the CV cycle. Going forward, we expect CV demand to improve on favorable base, momentum in economic activities and government infra initiatives. In addition to CV recovery, Jamna's new product additions in the suspension segment, improvement in parabolic springs mix and focus on after-market segment should aid in reporting strong topline CAGR of 27% over FY22-25E. Management's cost reduction measures taken in the last 24 months and utilization improvement benefit to aid in strong bottom line growth for the company with 34% CAGR over the same period. The company has achieved the earlier set target and is on track to achieve the newly set target across various parameters in the business. At the current market price, the stock is trading at 14.2x FY25E EPS of ₹7.7. Considering sustained strong EBITDA margins performance, increase in value content per vehicle supported by new product launches in the suspension segment, lean fixed cost structure, anticipated higher share of after-market (which is non-cyclical), and strong balance sheet, we recommend a BUY on the stock with a target price of ₹140.

New product launches, New markets to provide moat

Jamna has set up a target of achieving 50% of its product portfolio from new products and 50% from new markets including exports by FY27. It is heartening to see that the company is moving in that direction with 37% and 23% contribution from new products and new markets respectively. On new products front, the company has launched a whole host of products such as Z-Spring, Stabilizer bar, Bus Air Suspension, Trailer Air Suspension etc along with the continued success of Parabolic Leaf Springs. In new markets such as Aftermarkets, exports etc the company has launched Brake Lining, Trailer Axle, Bearing etc. Products such as Bogie Bracket, NODO bracket, Spring Pin etc launched towards targeting OEM (77% in Q2FY23) are expected to increase the content per vehicle.

CV cycle uptick to act as the main trigger

We believe the CV cycle which is going quite strong currently should continue its good run for next 1.5-2 years considering the momentum in the infrastructure and mining activities, construction projects and the overall investment capex boost in the country. Given this, Jamna and its products should gain solid demand. Increasing contribution coming from AM segment should also take care of the cyclicality in the CV demand pertaining to OEMs.

Key Financials	FY 21	FY 22	FY 23E	FY 24E	FY 25E
Total sales (₹ bn)	10,795	17,179	23,062	29,176	35,080
EBITDA margins (%)	12.4%	13.2%	12.0%	12.9%	13.5%
PAT margins (%)	6.8%	8.2%	7.4%	8.2%	8.7%
EPS (₹)	1.8	3.5	4.3	6.0	7.7
P/E (x)	59.5	30.8	25.3	18.2	14.2
P/BV (x)	7.5	6.3	5.4	4.6	3.8
EV/EBITDA (x)	33.4	19.9	16.1	11.8	9.3
ROE (%)	12.6%	20.6%	21.5%	25.1%	27.0%
ROCE (%)	15.7%	26.2%	27.5%	32.4%	35.1%
Dividend yield (%)	0.2%	0.9%	1.3%	2.0%	2.9%

Rating	BUY
Current Market Price (₹)	108
12 M Price Target (₹)	140
Potential upside (%)	30

Stock Data	
FV (₹) :	1
Total Market Cap (₹ bn) :	43
Free Float Market Cap (₹ bn) :	22
52-Week High / Low (₹) :	136 / 95
2-Year High / Low (₹) :	136 / 50
1 Yr Avg. Dly Traded Volume (in lakh)	14
BSE Code / NSE Symbol	520051 / JAMNAAUTO
Bloomberg :	JMNA IN

Shareholding Pattern

(%)	Sep-22	Jun-22	Mar-22	Dec-21
Promoter	49.98	49.98	49.98	50.00
FPIs	7.08	6.63	5.55	6.70
MFs	12.89	13.57	13.39	12.72
Bodies Corporate	1.63	--	1.59	1.77
Others	28.42	29.82	29.49	28.81

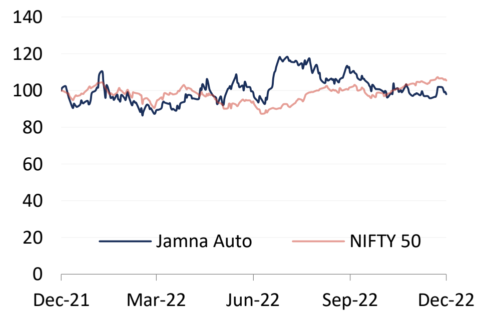
Source: BSE

Price Performance

(%)	1M	3M	6M	1YR
Jamna Auto	0.0%	-12.8%	-0.9%	0.7%
Nifty 50	1.9%	4.9%	12.2%	5.9%

** To date / current date :December 9, 2022*

Jamna Auto vs Nifty 50



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Profitability to improve on multiple levers; set targets should be achieved

Jamna has a market leadership position in parabolic springs which are the most preferred springs by the CV players currently, considering its ~5.0% lower realization per vehicle as compared to conventional springs. From the company's perspective, on per tonne basis, the absolute value is ~20% better than conventional springs and has got better margins than conventional springs due to lower raw material consumption. Jamna is doubling its capacity considering high demand for it. Furthermore, as demand rises, operating leverage should come into play. Despite cyclicality in MHCV demand, increasing contribution from the AM which is immune to CV cyclicality should assist margins. With limited capex and net debt, we expect the company to meet its ambitious target of 50% ROCE by FY27.

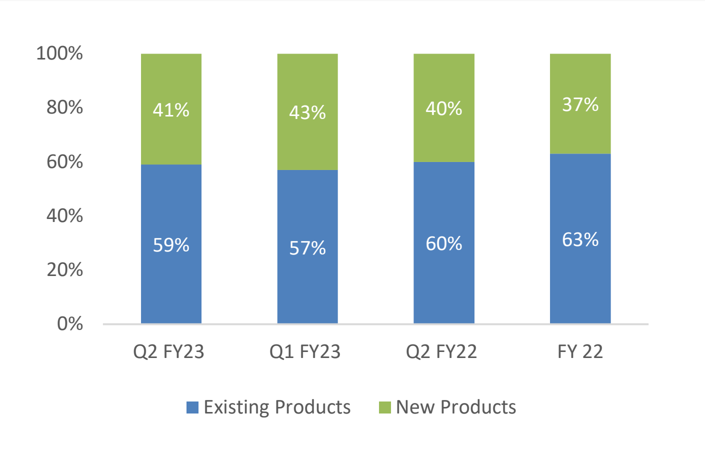
Company Profile

Jamna Auto Industries (Jamna) is a manufacturer of suspension products (leaf & parabolic springs) for commercial vehicles (largely M&HCV space). It was established in 1965. Jamna has eight manufacturing plants in India, each in close proximity to CV OEMs, with installed capacity of ~3,00,000 metric tonnes and an overall market share >68%. Domestically, the company has two main competitors in the form of Toyo Springs (~20% market share) and Soni Auto (~5% market share). Rest of the market is fragmented. Jamna has significant SOBs in Tata Motors (>70%) and Ashok Leyland (>90%). The company is the market leader in India and is among the Top 2 players in the world. Jamna is EV agnostic. Jamna has also entered into a technology transfer and technical assistance agreement with UK based Tinsley Bridge Ltd for transfer of Extralite Spring Technology, which according to us should play a vital role in EV trucks as light-weighting comes into play. The industry size of global leaf springs was US$5.05 bn in FY21.

Exhibit 1: Revenue mix

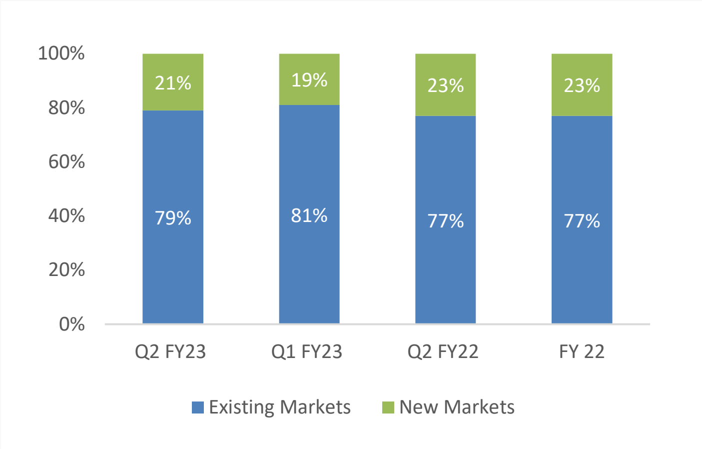
Source: Company, LKP Research

Product Mix



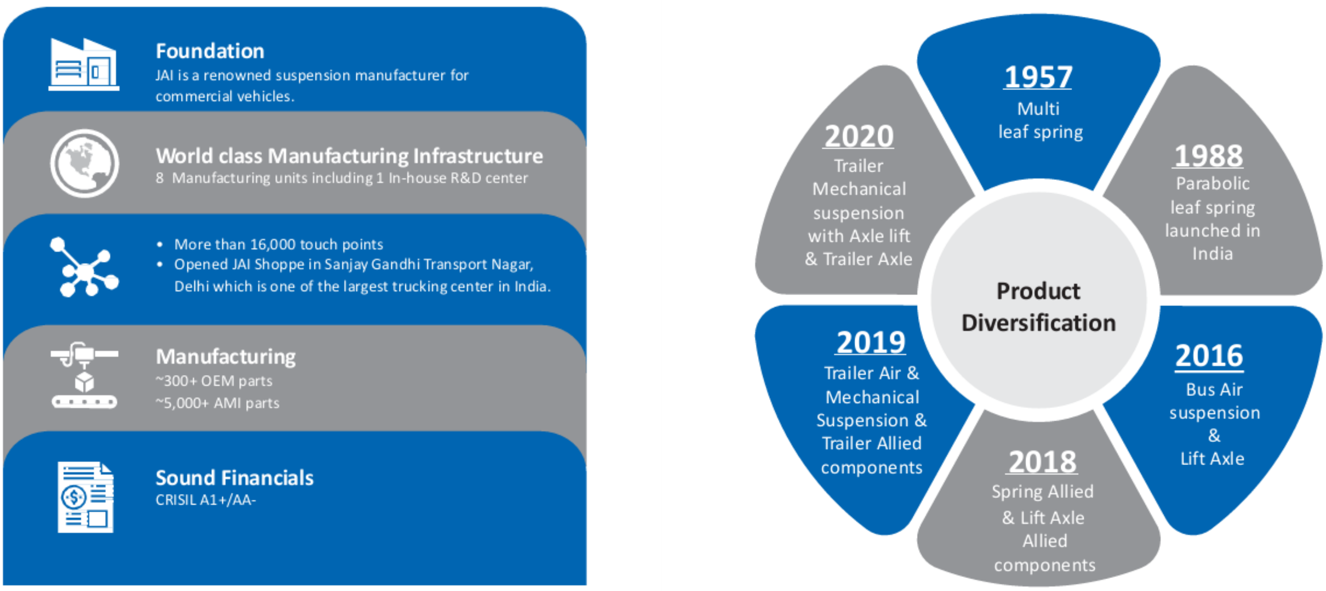
Source: Company, LKP Research

Market Mix



Source: Company, LKP Research

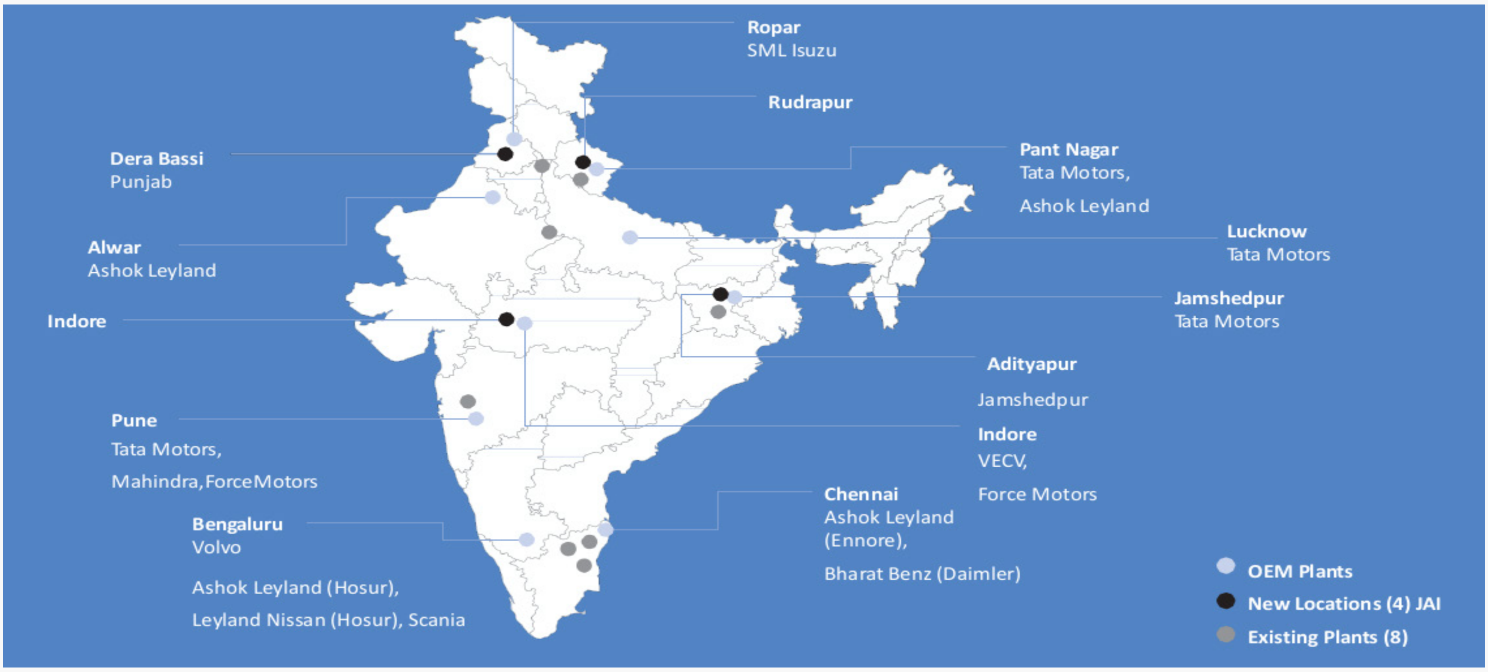
Exhibit 2: Jamna at a Glance



Source: Company, LKP Research

Exhibit 3: Jamna's Product Portfolio

Exhibit 4: Jamna's strategic plant locations



Source: Company, LKP Research

Exhibit 5: Jamna's OEM Customers

Source: Company, LKP Research

Exhibit 6: Global Peers

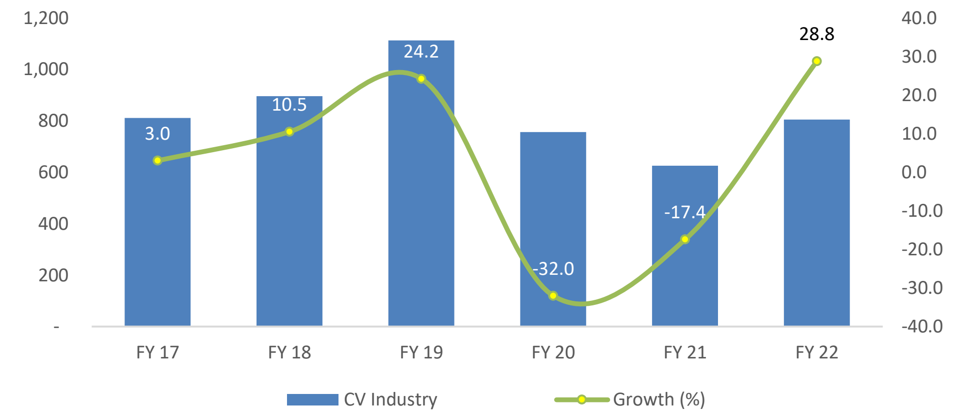
Rassini	Mexico
Hendrickson	Canada and Mexico
NHK Springs	Japan and Thailand
FAW	China
Dong Feng	China
MHBA	Spain
Olgen	Turkey
LPDN(Sogel)	Italy

Source: Company, LKP Research

Investment Argument

Monopoly market position: Jamna has monopoly position with >90% market share in India in parabolic springs and >68% in overall springs market among OEMs. From a customer's perspective, parabolic springs allows improved ride quality with weight reduction, making it capable of handling increased stress levels and reduced inter-leaf friction for longer fatigue life. Jamna is offering such advanced technology product at roughly ~5.0% lower realization per vehicle as compared to conventional springs. From the company's perspective, on per tonne basis, the absolute value is ~20% better than conventional springs and has got better margins than conventional springs due to lower raw material consumption. Hence, the company will generate better margins as the industry shifts from conventional to parabolic springs. We believe, increase in penetration of parabolic springs in the CV industry to have a better moat for Jamna in the long run.

Exhibit 7: Total CV industry vs % Growth



Source: Company, LKP Research

Doubling Capacity in the long run to cater to the burgeoning demand

Currently, the company is operating at just ~50% capacity utilization for parabolic springs. In the parabolic springs, the company has a total capacity of 60k MT and in the long run, the company plans to double the capacity to 120k MT. Globally, Jamna is the only company adding such higher capacities in the parabolic spring market. On these lines, Jamna has planned to increase parabolic capacity in the existing spring plants covering all the regions of the country. The new manufacturing lines at their Yamuna Nagar plant have already been commissioned, and parts are under production. Expansion in other plants will be completed by FY23. Coupled with this Brownfield expansion, a Greenfield expansion also is in the offing as a new parabolic springs plant will be built by its subsidiary JAI Suspensions Ltd (JSL) in Adityapur, close to Jamshedpur OEMs. Jamna expects the commercial production to commence by June 2024. This capacity enhancement will not only help them to secure a majority share of the OEM market, but will also increase their parabolic sales in the after-market. Several other parts capacity expansion is in the pipeline over the next few years as follows-

Subsidiary name	Location	Product name	Expected time period for commissioning	Remarks
Jai Automotive Components Ltd (JACO)	Rudrapur,Uttarakhand	Machined Products	Jan-23	"The first phase of investment in machining set up in Uttarakhand has been completed and production is expected to begin by January 2023. This will increase the product range and content per vehicle in the CV industry."
Jai Automotive Components Ltd (JACO)	Derabassi, Punjab	"Fabricated Parts"	Jul-23	The commercial production is expected to start by July 2023. This allows the company to enter a new product, segment, or market.
Jai Automotive Components Ltd (JACO)	Indore, Madhya Pradesh	"U bolts, Hanger Shackles, and Spring Pins"	Jan-24	"Commercial production is expected to begin by January 2024 expanding the product range and content per vehicle in the CV industry."
Jai Suspensions Limited (JSL)	Adityapur, Jharkhand	Parabolic Springs	Jun-24	JAI started construction of a new factory at Adityapur, Jharkhand in FY22. The commercial production is expected to commence by June 2024.

Source: Company, LKP Research

LAKSHYA 50XT – a plan, a target, a serious endeavor!

In the annual report FY21, Jamna had discussed on their next five-year plan “LAKSHYA 5-YEAR PLAN”. The objective of this plan is to achieve future growth and to de-risk the business through market and product diversification. The launch of this plan is an important milestone for Jamna to bring together the entire organisation and focus on one common goal. The plan LAKSHYA 50XT aims to Achieve 4 key targets by FY27:

- 50% revenue from new market: Focus on improving the after-market and exports segment revenue mix to ~50.0% in FY27. Key action plans are direct retailing and digitising the entire after-market operations (Exports contribution from new markets to be 10.0% by FY27).
- 50% from new products: Jamna’s action plan is to introduce new products such as allied parts for suspension, machined parts, full range of trailer suspension and other products through distribution, sourcing or manufacturing route.
- 50% Return on Capital Employed: With the company’s prudent financial policies, lower break-even and increased share of value-added products, Jamna targets 50.0% RoCE by FY27.
- 50% distribution policy: By FY27, Jamna targets distribution of 50.0% of PAT in a year as dividend or share buyback or both.

How the company has fared while achieving previous goal of Lakshya 33XT?

To achieve operational and financial goals, Jamna had set a target by focusing 1) 33.0% revenue from new products, 2) 33.0% revenue from new markets, 3) 33.0% from RoCE, 4) 33.0% dividend distribution policy, 5) 33.0% break-even capacity and 6) net block should be funded from net worth. The company had achieved all its targets except 33% revenue from new markets till FY19 as the last two years were impacted due to Covid-19 and slowdown in economy.

Lakshya 33XT

(%)	Goals	Actual				
		FY21	FY20	FY19	FY18	FY17
Revenue from New Products	33	34	32	34	37	33
Revenue From New Markets	33	29	24	16	15	16
RoCE	33	23	16	55	51	55
Reported Dividend Payout	33	41	40	33	33	33
Break-even point	33	64	75	57	56	58
Net Block Funded	from NW	**Achieved**	**Achieved**	**Achieved**	**Achieved**	**Achieved**

Source: Company, LKP Research. NW – Net Worth. Note: RoCE figures are as per company calculations.

Increasing value content per vehicle in the CV and other segments through new products

New product introductions like U Bolt, Z Springs, Stabilizer Bar, Hanger Shackles, Spring Pins, Bogie Bracket, NODO Bracket, ATS Bracket will increase the value content per vehicle for the company and also help in reducing the CV cyclicality. In the next five years, the company's plan is to add more products to increase the value content per vehicle and also focus on gaining market share in each of its new products. Increasing the product basket aids in maintaining/ improving the SOB with customers.

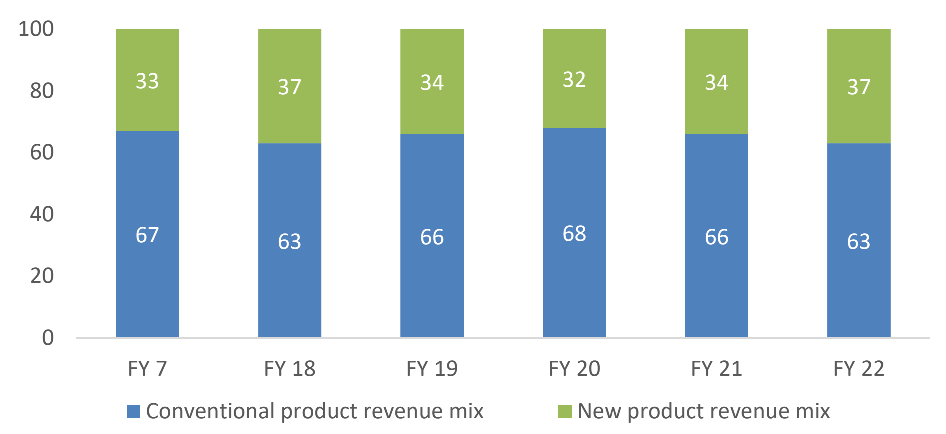
Additionally, the company is focusing on manufacturing high margin value-added products especially for the high growth tractor trailer segment. Currently, tractor trailer accounts for ~15.0% of the total CV volumes. The estimated domestic market size is ~₹4.0 bn and the company is targeting ~20.0% market share over the next five years.

Mahindra & Mahindra Agriculture Implement Division has accorded Jamna a contract to supply rotavator blades. The components are under development at Yamuna Nagar plant and supplies are expected to begin by January 2023. Also, the company has launched new products in the After Market India such as clutches, bearings and brake linings.

Jai Suspension System Pvt. Ltd., a subsidiary of the company has signed a Business Transfer Agreement (BTA) with M/s Kalka Steels, a partnership firm, to acquire their tractor parts business i.e. manufacturing of tractor seats on going concern basis subject to fulfillment of conditions stated therein.

Target set by the management in FY21 Annual Report (AR) is to achieve 50% of revenue from the new products like Parabolic springs and other suspension products by FY27 is on track and it has improved from 34% in FY21 to 37% in FY22. The above mentioned strategies of new product introduction shall help the company to be on track to achieve this target.

Exhibit 8: Revenue from new products (%)



Source: Company, LKP Research

Exhibit 9: Upcoming products

Source: Company, LKP Research

New strategies in place to achieve 50% target from new markets in FY27

According to Stratview Research, the global leaf spring After Market size is expected to expand to US$2 bn on the back of expansion in automotive fleet size as a leaf spring needs to be replaced every 9-12 months driven by damages like sag, break and crack, caused by several factors like uneven roads and excess load on the vehicle.

Target set by the management in FY21 to achieve 50% of revenue from the new markets is not on track and is the only target set by the management that has not been achieved under the Lakshya33XT as well. Revenue from new market has decreased from 29% in FY21 to 23% in FY22. Jamna had achieved limited success in the after-market segment (AM) due to headwinds like higher competition from unorganized players, higher price gap between organized, unorganized players and limited team to scale-up the business. However, the management is applying various strategies to achieve the target.

Firstly to tackle the existing issues, management's strategy is to gradually bypass the distributors and sell directly to the retailers/ mechanics which will lead to savings in distributor's margins. To implement such strategy, the company might witness some pain in the short-term in building up a stronger team in this segment and this could result in some market share loss.

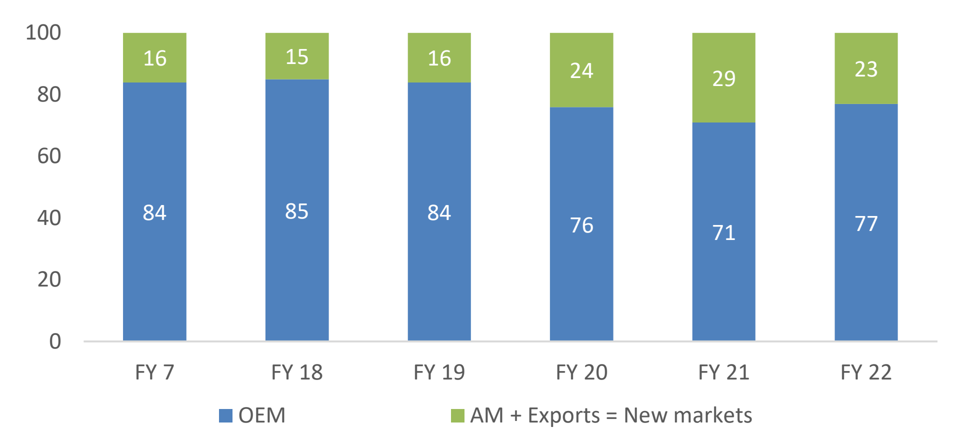
However, in the longer term, with expected increase in sales team, management focus and digitization, the company is expected to gain market share and maintain sustained share in the AM segment in India.

Secondly, the company is opening “JAI Shoppe” in Transport Nagar’s major trucking centre to showcase and enhance their product branding to get closer to the fleet owners for direct selling. This would help them to market their products to the fleet and help them to sell their trailer suspension directly to the fleet. More such Shoppe will be launched after successful operation of the first one. The pilot Shoppe in Delhi is expected to be inaugurated in the current month.

Thirdly, in the AM India segment, Jamna has added few of the allied products and also plans to add more products in the AM India segment through trading. AM India products include Lift Axle allied components, Trailer allied components, Spring allied components, Brake lining, Water pump, Clutch, Bearing, Jack Rod, etc. The company’s plan is to leverage the current AM network to expand the non-springs product penetration. This will reduce the CV cyclicality and also aid in improving the return ratios of the company. In FY22, Jamna has launched high consumption parts like clutches, bearings, and brake linings, which have huge potential in the after-market.

Current revenue contribution from AM Exports is minuscule. However, management plans to increase the distributor’s network in the overseas market and benefit from China plus one factor. Many of the local companies are exiting the business due to financial weakness which is beneficial for the company. In FY22, the company had their first success in increasing after-market export tonnage in the European region.

Exhibit 10: Market Mix (%)



Source: Company, LKP Research

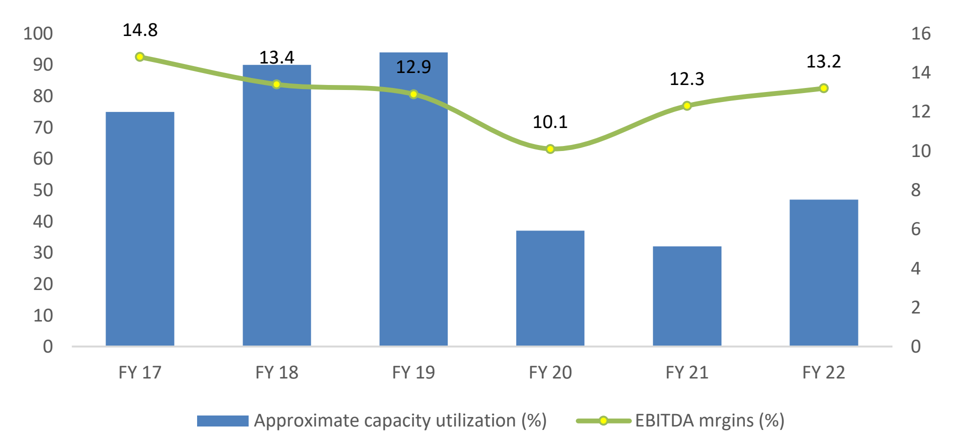
Exhibit 11: After Market Product Portfolio

Source: Company, LKP Research

Margins on right trajectory

Despite low capacity utilization levels (47.0% utilization in FY22), the company reported double-digit EBITDA margins at 13.2% in FY22 (90 bps yoy jump over FY21) led by improvement in contribution margin, addition of high margin new products and reduction in fixed costs. Jamna's contribution margins reduced by 260 bps yoy to 21.5% due to unprecedented rise in raw material costs and also increase in OEM sales mix. However, the company had reduced its fixed cost by 440 bps yoy primarily due to sharp reduction in employee costs by 310 bps yoy and reduction in interest cost by 360 bps YoY (interest outgo reduced from ₹73 mn in FY21 to ₹42 mn in FY22 led by savings through decline in cost of debt and debt reduction). Going forward, with CV cycle expected to be in positive lane, we expect higher demand for Jamna and its new and existing products to lift up capacity utilization levels, thus offering operating leverage. Having highest SOB with all the domestic CV makers, demand visibility remains strong and clear. Higher volumes should drive margins hereon.

Exhibit 12: Approximate capacity utilization (%) Vs EBITDA mrgins (%)

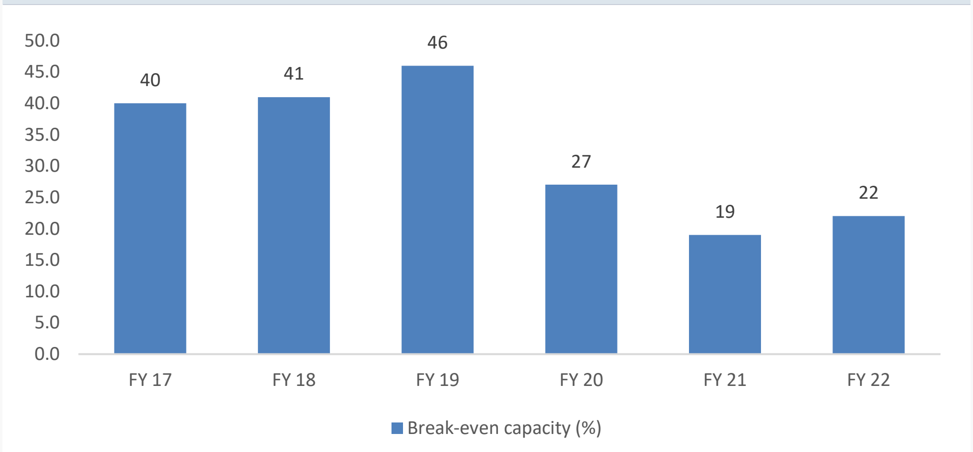


Source: Company, LKP Research

Improving break even capacity to further alleviate margin profile

In order to mitigate the risks (CV downcycle + Covid-19 impact), the management of Jamna had taken decision to bring down the costs and also focus on improving the contribution margins to bring down the break-even capacity. Steps taken by the management in the last two years has yielded better results for the company.

Exhibit 13: Break-even capacity (%)

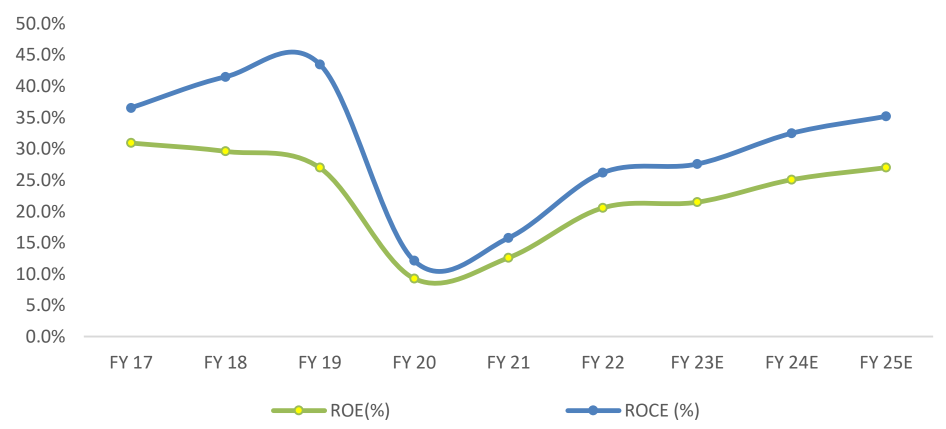


Source: Company, LKP Research

Improving return ratios despite rise in debt

During the year FY22, net debt of the company rose from ₹735 mn in FY21 to ₹1.5 bn on account of higher working capital requirements. Despite this, the company reported strong double-digit return ratios (reported sub 50.0% utilisation level). Jamna reported 20.6% RoE and 26.2% RoCE in FY22 supported by better operational efficiency (EBITDA margins reported at 13.2% versus 12.4% in FY21). Going forward, we expect superior margin profile to take care of debt in case it rises for any capacity expansion.

Exhibit 14: ROE (%) Vs ROCE (%)

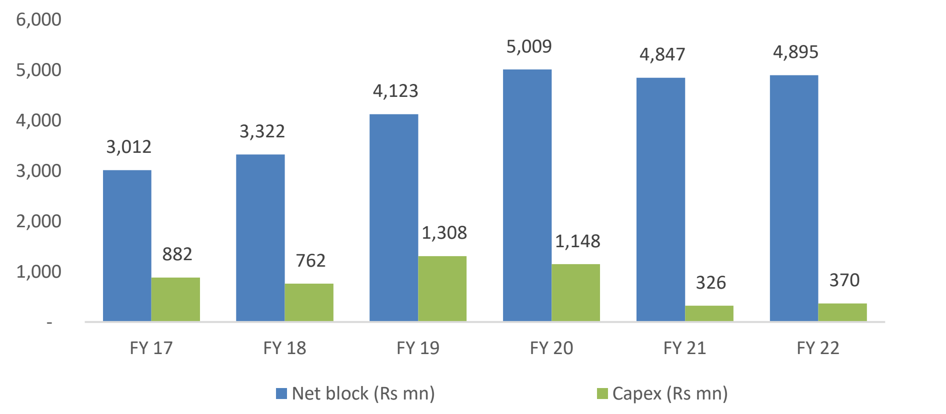


Source: Company, LKP Research

Company's plans of capital allocation for the next 4-5 years remains in place

We believe that each of the focus areas lined out by the management will aid in improving the contribution margins and thus will enable the company to maintain 10.0%+ PBT margins (the company reported PBT margins of 11.1% in FY22). In parabolic springs, capital employed is ~3.5x higher as compared to the conventional springs. However, such high spends combined with monopoly position in India acts as a moat for the company in the long run. Despite high capex in parabolic springs, in the long run, the company intends to maintain 40%+ RoCE's by improving the revenue mix, saving costs, focusing on value-added products, focusing in after-market segment and exports. Management has guided ~40.0% of the free cash to be distributed to the shareholders and the balance will be reinvested in the business for the future growth.

Exhibit 15: Net Block vs Capex

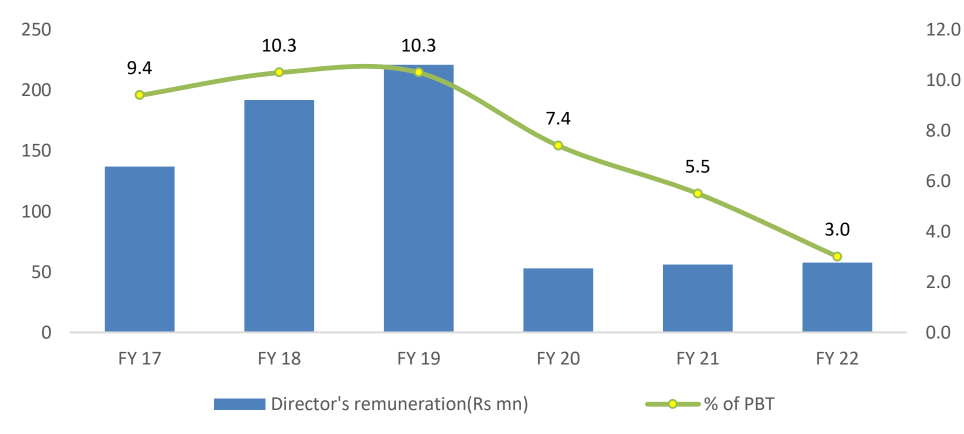


Source: Company, LKP Research

Director's remuneration as a % of sales has come down significantly highlighting the quality of management

Total Director's remuneration in FY22 was ₹57.8 mn, which is 3.0% of the PBT of FY22, lowest in the last six years (last year remuneration was 5.5% of PBT in FY 21 and in peak year of FY19 – Director's remuneration was 10.3% of PBT). Despite jump in PBT by ₹904.3 mn yoy, Director's absolute remuneration in FY22 remained flat over FY21.

Exhibit 16: Director's remuneration (Rs mn)



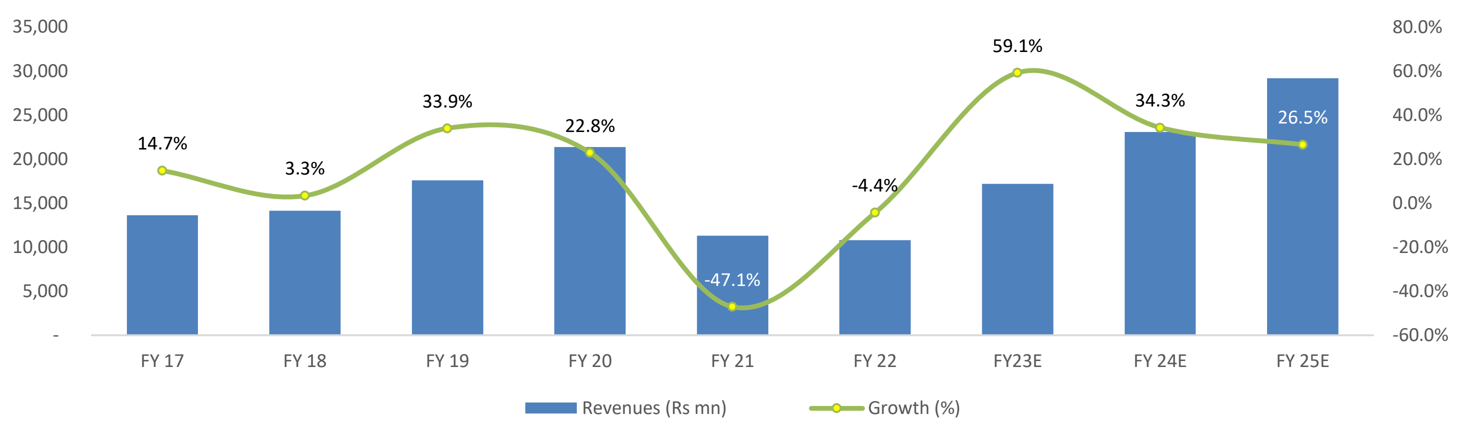
Source: Company, LKP Research

Outlook and Valuation

Jamna is a beneficiary of the ongoing positivity in the CV cycle. Going forward, we expect CV demand to improve on favorable base, momentum in economic activities and government infra initiatives. In addition to CV recovery, Jamna's new product additions in the suspension segment, improvement in parabolic springs mix and focus on after-market segment should aid in reporting strong topline CAGR of 27% over FY22-25E. Management's cost reduction measures taken in the last 24 months and utilization improvement benefit to aid in strong bottom-line growth for the company with 34% CAGR over the same period. The company has achieved the earlier set target and is on track to achieve the newly set target across various parameters in the business. At the current market price, the stock is trading at 14.2x FY25E EPS of ₹7.7. Considering sustained strong EBITDA margins performance, increase in value content per vehicle supported by new products launches in the suspension segment, lean fixed cost structure, anticipated higher share of after-market (which is non-cyclical), and strong balance sheet, we recommend a BUY on the stock with a target price of ₹140.

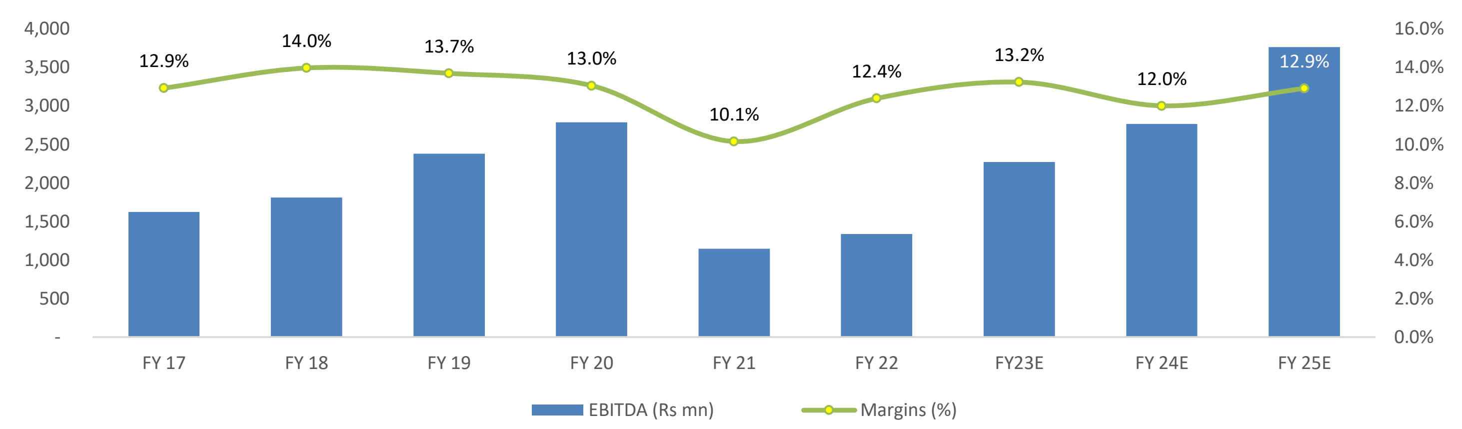
Financial Charts

Exhibit 17: Revenues (₹ mn) vs Growth (%)



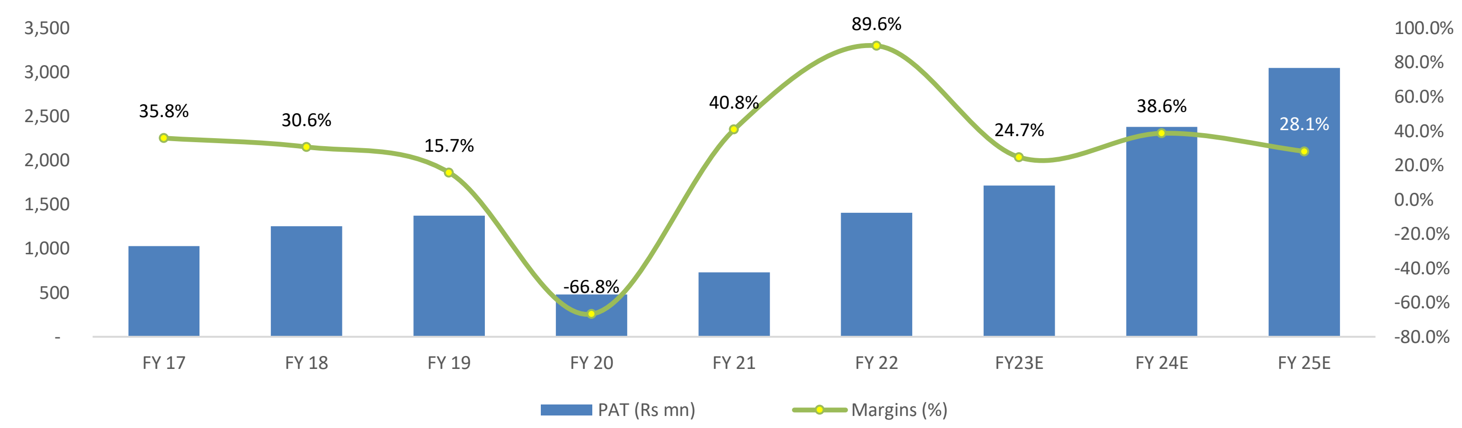
Source: Company, LKP Research

Exhibit 18: EBITDA (₹ mn) vs Margin (%)



Source: Company, LKP Research

Exhibit 19: PAT (₹ mn) vs Margin (%)



Source: Company, LKP Research

Exhibit 20: Income Statement

(₹ mn)	FY 21	FY 22	FY 23E	FY 24E	FY 25E
Total Revenues	10,795	17,179	23,062	29,176	35,080
Raw Material Cost	6,580	11,236	15,498	19,256	22,907
Employee Cost	1,118	1,246	1,499	2,042	2,456
Other Exp	1,760	2,425	3,298	4,114	4,981
EBITDA	**1,337**	**2,273**	**2,767**	**3,764**	**4,736**
EBITDA Margin (%)	*12.4%*	*13.2%*	*12.0%*	*12.9%*	*13.5%*
Depreciation	356	367	448	547	623
EBIT	**981**	**1,905**	**2,320**	**3,216**	**4,113**
EBIT Margin (%)	*9.1%*	*11.1%*	*10.1%*	*11.0%*	*11.7%*
Other Income	101	49	100	120	140
Interest	73	42	35	31	19
PBT	**1,009**	**1,913**	**2,384**	**3,305**	**4,234**
PBT Margin (%)	*9.3%*	*11.1%*	*10.3%*	*11.3%*	*12.1%*
Tax	1,009	1,913	2,384	3,305	4,234
PAT	**730**	**1,408**	**1,717**	**2,380**	**3,048**
PAT Margins (%)	*6.8%*	*8.2%*	*7.4%*	*8.2%*	*8.7%*

Exhibit 21: Key Ratios

YE Mar	FY 21	FY 22	FY 23E	FY 24E	FY 25E
Per Share Data (₹)					
Adj. EPS	1.8	3.5	4.3	6.0	7.7
CEPS	2.7	4.5	5.4	7.4	9.2
BVPS	14.6	17.2	20.1	23.9	28.4
DPS	0.3	1.0	1.4	2.2	3.1
Growth Ratios(%)					
Total revenues	-4.4%	59.1%	34.3%	26.5%	20.2%
EBITDA	16.7%	70.0%	21.8%	36.0%	25.8%
PAT	52.4%	93.0%	21.9%	38.6%	28.1%
EPS Growth	52.4%	93.0%	21.9%	38.6%	28.1%
Valuation Ratios (X)					
PE	59.5	30.8	25.3	18.2	14.2
P/CEPS	40.0	24.4	20.0	14.8	11.8
P/BV	7.5	6.3	5.4	4.6	3.8
EV/Sales	4.1	2.6	1.9	1.5	1.3
EV/EBITDA	33.4	19.9	16.1	11.8	9.3
Operating Ratios (Days)					
Inventory days	116.2	101.8	85.0	68.0	65.0
Recievable Days	57.6	61.3	53.0	50.0	48.0
Payables day	62.5	43.0	45.0	37.0	35.0
Net Debt/Equity (x)	0.02	0.04	0.03	0.02	-0.00
Profitability Ratios (%)					
ROCE	15.7%	26.2%	27.5%	32.4%	35.1%
ROE	12.6%	20.6%	21.5%	25.1%	27.0%
Dividend payout	13.6%	28.3%	33.0%	37.0%	41.0%
Dividend yield	0.2%	0.9%	1.3%	2.0%	2.9%

Exhibit 22: Balance Sheet

(₹ mn)	FY 21	FY 22	FY 23E	FY 24E	FY 25E
Equity and Liabilities					
Equity Share Capital	398	398	398	398	398
Reserves & Surplus	5,402	6,448	7,599	9,098	10,896
Total Networth	5,800	6,847	7,997	9,496	11,295
Total debt	232	236	226	216	206
Net Deferred Tax Asst/Liabs	15	16	16	16	16
Long term provisions	327	312	302	292	282
Current Liab & Prov					
Trade payables	1,848	2,025	2,843	2,958	3,364
Short term borrowings	1,147	1,779	1,179	779	379
Short term provisions	243	359	434	509	584
Other current liabilities	505	485	465	445	425
Total current liab and provs	3,742	4,648	4,921	4,690	4,751
Total Equity & Liabilities	**9,975**	**11,932**	**13,345**	**14,604**	**16,453**
Assets					
Net block	2,847	3,589	3,941	4,394	4,571
Capital WIP	1,338	534	684	834	984
Long term loans & advances	140	182	182	182	182
Other non current assets	866	941	941	941	941
Total fixed assets	5,191	5,246	5,748	6,351	6,678
Cash and Bank	380	225	196	225	640
Inventories	2,096	3,132	3,609	3,587	4,079
Trade receivables	1,705	2,886	3,349	3,997	4,613
Loan, Advances & others	486	332	332	332	332
Other current assets	117	110	110	110	110
Total current Assets	4,784	6,686	7,596	8,252	9,775
Total Assets	**9,975**	**11,932**	**13,345**	**14,604**	**16,453**

Exhibit 23: Cash Flow

(₹ mn)	FY 21	FY 22	FY 23E	FY 24E	FY 25E
PBT	1,009	1,913	2,384	3,305	4,234
Depreciation	372	404	483	579	642
Interest	61	32	35	31	19
Chng in working capital	-103	-1,764	-77	-467	-657
Tax paid	-277	-542	-668	-925	-1,185
Other operating activities	1	2	3	4	5
Cash flow from operations (a)	**1,001**	**11**	**2,123**	**2,491**	**3,033**
Capital expenditure	-180	-366	-950	-1,150	-950
Chng in investments	-1	0	0	0	0
Other investing activities	2	4	0	0	0
Cash flow from investing (b)	**-179**	**-362**	**-950**	**-1,150**	**-950**
Free cash flow (a+b)	**821**	**-351**	**1,173**	**1,341**	**2,083**
Inc/dec in borrowings	-549	0	0	0	0
Dividend paid (incl. tax)	-100	-398	-567	-881	-1,250
Interest paid	0	0	0	0	0
Other financiang activities	-21	-21	0	0	0
Cash flow from financing (c)	**373**	**-155**	**-29**	**30**	**414**
Net chng in cash (a+b+c)	**6**	**379**	**224**	**196**	**225**
Closing cash & cash equivalents	**379**	**224**	**196**	**225**	**640**

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