

# Tube Investments of India

Estimate changes



TP change



Rating change



**CMP: INR3,115**

**TP: INR3,655 (+17%)**

**Buy**

## Operationally weak, led by lower revenue growth

### TI-1 revenue to grow ~15% YoY over the next few years

- TII's 1QFY24 results were negatively impacted by low revenues across key businesses such as Engineering (due to steel price adjustment) and Metal formed (weakness in 2Ws). However, the underlying recovery in the auto, especially 2W volumes, and exports are expected to drive revenue and margins recovery over the next few quarters to over 13% by 4QFY24.
- We have lowered our FY24E/FY25E consolidated EPS estimates by 3% each, negatively impacted by 4% cut in S/A revenue, due to moderation in revenue growth in key businesses. We reiterate our **Buy** rating with a TP of INR3,655 (Sep-25E SOTP).

### Steel price adjustments dent revenue growth in engineering biz

- Tube Investments' SA revenue declined 9% YoY (up 7% QoQ) to INR17.8b (vs. est. INR18.7b). Engineering business (~64% of the S/A business) declined 8% YoY (vs est. decline of 3%) due to steel prices adjustments.
- Gross margin improved 390bp YoY (down 120bp QoQ) to 35.9%.
- EBITDA rose 6% YoY (up 3% QoQ) to INR2.1b (vs. INR2.3b). EBITDA margin improved 170bp YoY (down 60bp QoQ) to 12.1% (vs. est. 12.3%).
- Further, Adj. PAT stood at INR1.48b (vs. est. INR1.5b).
- Revenue for the Mobility business declined 24% YoY to INR1.9b. PBIT margin for this business stood at 1.1% (vs. -3.2%/3.9% in 4QFY23/1QFY23 and est. 1.5%).
- Revenue for Engineering business declined 8% YoY to INR11.4b. PBIT margin for this business stood at 11.8% (vs. 12.6%/9.5% in 4QFY23/1QFY23 and est. 12.6%).
- Revenue for the Metal Formed Product business grew 2% YoY to INR3.4b. PBIT margin for this business stood at 12.8% (vs. 12.9%/11.5% in 4QFY23/1QFY23 and est. 12.2%).
- Revenue from the Others business vertical declined 20% YoY to INR1.8b. PBIT margin for this business stood at 9% (vs. 5.8%/7.6% in 4QFY23/1QFY23 and est. 6%).

### Highlights from the management commentary

- **Outlook:** TI-1 is expected to register a CAGR of 15% over the next few years. This will be largely driven by engineering and metal formed division.
- **Exports:** It has improved QoQ, as the export share now stands at 15% vs. 13% in 4QFY23. In the EU, there are some weaknesses, but overall, there is a belief that growth should be sustained. It is expected that exports will grow in FY24.



Bloomberg	TIINDIA IN
Equity Shares (m)	193
M.Cap.(INRb)/(USDb)	602 / 7.3
52-Week Range (INR)	3394 / 2035
1, 6, 12 Rel. Per (%)	-2/7/28
12M Avg Val (INR M)	963

#### Consol. Financials & Valuations (INR b)

INR b	FY23	FY24E	FY25E
Sales	149.6	168.3	192.4
EBITDA	18.9	22.6	26.3
Adj. PAT	7.8	11.3	13.8
EPS (INR)	40.5	58.6	71.7
EPS Gr. (%)	7.4	44.5	22.3
BV/Sh. (INR)	205	254	315
<b>Ratios</b>			
RoE (%)	22.3	25.5	25.2
RoCE (%)	38.7	40.5	40.2
Payout (%)	8.6	14.8	15.0
<b>Valuations</b>			
P/E (x)	76.8	53.2	43.5
P/BV (x)	15.2	12.2	9.9
Div. Yield (%)	0.1	0.3	0.3
FCF Yield (%)	1.6	3.2	3.1

#### Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	46.1	46.2	46.5
DII	12.7	12.3	14.7
FII	29.4	28.9	25.9
Others	11.8	12.6	13.0

FII Includes depository receipts

- **EVs:** The company has recently begun accepting orders for e-3Ws, and it already has an order book of over 1,000 units. Additionally, it has provided heavy trucks to customers for trial purposes. The annual production capacity for the trucks is 3-3.6k units/annum, while for e-3W/e-tractor, it stands at 70k/25k.
- **Acquisition of Jayem Auto:** The recent acquisition of Jayem, a company specializing in R&D for EVs and e-LCV, marks a significant milestone for TIINDIA's EV portfolio. With this acquisition, TIINDIA now covers the entire gamut of B2B focused segments in the EV market. As part of its expansion plans, the company aims to launch its e-LCV by 1QFY25 end. Currently the product is in the homologation stage.

#### Valuation and view

- TII offers diversified revenue streams, with strong growth in the core business (~23% S/A PAT CAGR over FY23E-25E), ramp-up in CG Power and optionality of new businesses incubated under the TI-2 strategy.
- The stock trades at 53.2x/43.5x FY24E/FY25E consolidated EPS. We reiterate a BUY rating and a TP of ~INR3,655 (premised on Sep'25E SOTP, based on 35x for the standalone business, valuing listed subsidiaries at 20% HoldCo discount and adding INR287/share for the 2 EV businesses).

#### Quarterly performance (S/A)

(INR M)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q
<b>Net Sales</b>	<b>19,570</b>	<b>19,059</b>	<b>17,097</b>	<b>16,634</b>	<b>17,801</b>	<b>19,757</b>	<b>20,631</b>	<b>21,275</b>	<b>72,360</b>	<b>79,464</b>	<b>18,670</b>
YoY Change (%)	55.7	14.4	0.5	-4.1	-9.0	3.7	20.7	27.9	13.8	9.8	-4.6
<b>EBITDA</b>	<b>2,040</b>	<b>2,512</b>	<b>2,144</b>	<b>2,106</b>	<b>2,160</b>	<b>2,478</b>	<b>2,673</b>	<b>2,851</b>	<b>8,803</b>	<b>10,163</b>	<b>2,301</b>
Margins (%)	10.4	13.2	12.5	12.7	12.1	12.5	13.0	13.4	12.2	12.8	12.3
Depreciation	325	346	337	448	331	365	400	436	1,456	1,531	390
Interest	36	52	60	68	70	55	55	54	216	233	60
Other Income	120	145	171	1,717	219	200	250	2,004	2,152	2,673	175
<b>PBT before EO expense</b>	<b>1,800</b>	<b>2,258</b>	<b>1,919</b>	<b>3,306</b>	<b>1,979</b>	<b>2,258</b>	<b>2,468</b>	<b>4,366</b>	<b>9,283</b>	<b>11,071</b>	<b>2,026</b>
Tax	457	599	542	507	502	567	620	1,090	2,104	2,779	509
Tax Rate (%)	25.4	29.6	28.2	16.8	25.4	25.1	25.1	25.0	24.0	25.1	25.1
<b>Adj PAT</b>	<b>1,343</b>	<b>1,603</b>	<b>1,377</b>	<b>2,729</b>	<b>1,477</b>	<b>1,691</b>	<b>1,849</b>	<b>3,275</b>	<b>7,053</b>	<b>8,292</b>	<b>1,518</b>
YoY Change (%)	38.5	32.0	14.3	100.2	10.0	5.5	34.2	20.0	46.7	17.6	13.0

#### Segmental Mix (INR m)

	FY23				FY24E				FY23	FY24E	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q
<b>Mobility business</b>	<b>2,456</b>	<b>2,261</b>	<b>1,737</b>	<b>1,545</b>	<b>1,867</b>	<b>2,147</b>	<b>1,932</b>	<b>1,731</b>	<b>7,999</b>	<b>7,676</b>	<b>1,700</b>
Growth (%)	42.5	(13.8)	(38.0)	(37.8)	(24.0)	(5.1)	11.2	12.0	(17.0)	(4.0)	(30.8)
PBIT margin (%)	3.9	4.4	1.4	(3.2)	1.1	2.0	2.5	2.8	2.1	2.1	1.5
Contribution (%)	12.6	11.9	10.2	9.3	10.5	10.9	9.4	8.1	11.1	9.7	9.1
<b>Engineering business</b>	<b>12,437</b>	<b>11,924</b>	<b>10,812</b>	<b>10,444</b>	<b>11,416</b>	<b>12,785</b>	<b>13,425</b>	<b>13,737</b>	<b>45,616</b>	<b>51,363</b>	<b>12,010</b>
Growth (%)	52.7	16.1	8.5	1.4	(8.2)	7.2	24.2	31.5	17.9	12.6	(3.4)
PBIT margin (%)	9.5	13.8	12.4	12.6	11.8	12.3	12.5	13.2	12.0	12.5	12.6
Contribution (%)	63.5	62.6	63.2	62.8	64.1	64.7	65.1	64.6	63.0	64.6	64.3
<b>Metal formed business</b>	<b>3,348</b>	<b>3,710</b>	<b>3,707</b>	<b>3,471</b>	<b>3,419</b>	<b>3,761</b>	<b>4,137</b>	<b>4,343</b>	<b>14,237</b>	<b>15,660</b>	<b>3,541</b>
Growth (%)	36.6	13.0	12.2	3.2	2.1	1.4	11.6	25.1	14.8	10.0	5.8
PBIT margin (%)	11.5	12.9	11.4	12.9	12.8	12.8	13.0	13.2	12.2	13.0	12.2
Contribution (%)	17.1	19.5	21.7	20.9	19.2	19.0	20.1	20.4	19.7	19.7	19.0
<b>Other business</b>	<b>2,226</b>	<b>1,879</b>	<b>1,662</b>	<b>1,910</b>	<b>1,776</b>	<b>1,953</b>	<b>2,070</b>	<b>2,428</b>	<b>7,677</b>	<b>8,226</b>	<b>2,254</b>
Growth (%)	153.2	57.6	3.8	(1.8)	(20.2)	3.9	24.6	27.1	36.5	7.2	1.2
PBIT margin (%)	7.6	4.3	6.9	5.8	9.0	7.0	7.0	6.2	6.2	7.2	6.0
Contribution (%)	11.4	9.9	9.7	11.5	10.0	9.9	10.0	11.4	10.6	10.4	12.1
<b>Total Revenue (post inter segment)</b>	<b>19,570</b>	<b>19,059</b>	<b>17,097</b>	<b>16,634</b>	<b>17,801</b>	<b>19,757</b>	<b>20,631</b>	<b>21,275</b>	<b>72,360</b>	<b>79,464</b>	<b>18,670</b>

Growth (%)	55.7	14.4	0.4	(4.1)	(9.0)	3.7	20.7	27.9	13.8	9.8	(4.6)
E:MOFSL Estimates											

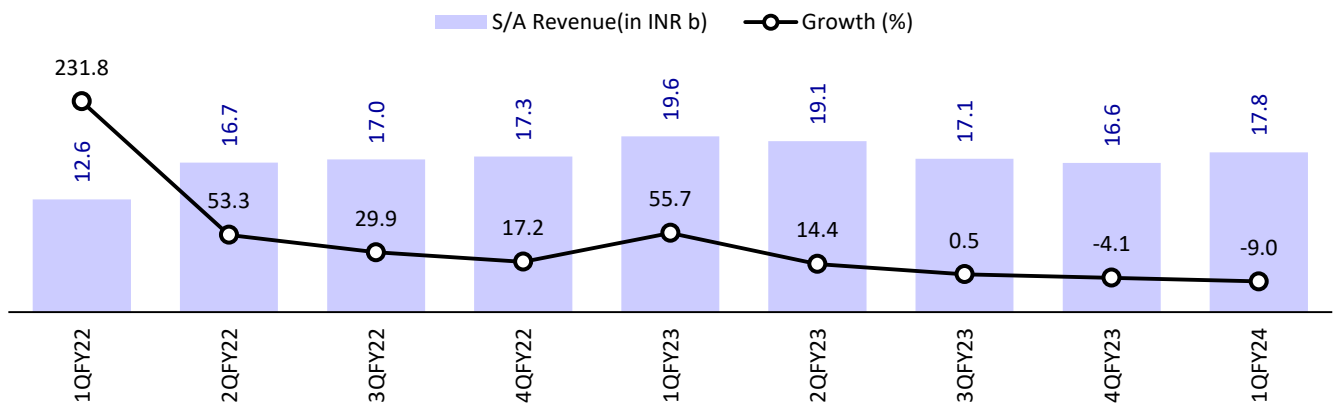


## Highlights from the management commentary

- **Outlook- TI-1 is expected to grow by 15% YoY** over the next few years. This will be largely driven by the growth in the engineering division, followed by metal formed division. Adding new capacities in West, as logistics cost is higher, and hence, local penetration is important. Other focus areas would include- a) Adding more products such as large dia., b) expanding service levels and value addition, and c) exports.
- **Engineering business-** Revenue was adversely impacted QoQ, due to pricing of steel. Volumes grew by ~6%, which was offset by a decline in realizations. EBITDA margin contracted largely due to an unfavorable product mix.
  - The company is witnessing good traction and running close to its full capacity. It is adding capacities by ~30% across all the three businesses of engineering.
- **Metal formed business-** TIINDIA has begun receiving railways tenders since the end of last month, and it anticipates securing orders starting from 2Q.
  - 2W industry in 1Q was under pressure. The company's market share in OEM remains intact and it is currently supplying to just 3 OEMs. It is now working on aftermarket. In EVs, chain will be required for frame-mounted motors rather than hub-mounted.
- **Exports-** It has improved QoQ as the mix now stands at 15% vs. 13% last quarter. . In the EU, there are some weaknesses, but overall, there is a belief that growth should be sustained. It is expected that exports will grow in FY24.
- **EVs- Making steady progress with revenue growth going forward.**
  - **EV** will take some time to pick up. It is currently building four new businesses and it will take some time.
  - **3W/truck business-** The company has recently begun accepting orders for e-3Ws. Additionally, it has provided heavy trucks to customers for trial purposes.
- **Jayem Auto:** The recent acquisition of Jayem, a company specializing in R&D for EVs and e-LCV, marks a significant milestone for TIINDIA's EV portfolio. With this acquisition, TIINDIA now covers the entire gamut of B2B focused segments in the EV market. As part of its expansion plans, the company aims to launch its e-LCV by 1QFY25 end. Currently the product is in the homologation stage.
  - **Distribution-** The distribution strategy for electric products will not follow a one-size-fits-all approach. The truck business will operate on a direct B2B model. On the other hand, e-3W/e-LCV will be distributed through retail channels, targeting urban and suburban markets. Meanwhile, the distribution of electric tractors will focus on rural areas, serving the specific needs of that market segment.
- **Surgical-** TIINDIA aims to invest in businesses that are poised for sustained growth over the next 20-25 years. The company's primary strategy involves establishing a strong presence in the domestic market for most of its businesses before venturing into international exports. In these markets, the competition is primarily dominated by foreign brands.
- **Lotus Surgicals:** The management is confident of delivering 20% CAGR in revenues and expand margins under TIINDIA parentage. In 1QFY24, revenues INR39cr vs 35cr YoY, PBT INR6cr vs INR5cr YoY. TIINDIA sees opportunities not only in import substitution but also in the exports market.
- **CDMO-** It is at a very nascent stage. India is just picking up and will see growth over the next 20-25 years. Most of the business is going to China; now India is playing China + 1 strategy. The division will require a capex of INR3b.

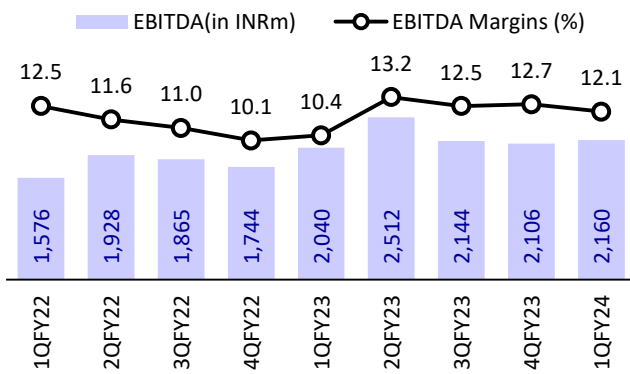
- **The peak debt level should not be more than 2x of annual FCF.** TIINDIA is placing a strong emphasis on capital allocation and capital efficiencies. To enhance its operations, the company has formed a strategic partnership with Premji for surgical business. Additionally, it secured funding of INR 10-12 billion from multiple sources to support its expansion in the EV (electric vehicle) business.
- **Guided cumulative capex of INR3-3.5b per segment** or INR10b for three products. Only INR2b is yet to be spend. 1QFY24 capex spent was INR0.7b for TI1 vertical and INR0.2b for 3W EVs.
- Capacities across verticals- 70k/year for 3W, 3-3.6k/year for trucks, tractors- 25/year.

**Exhibit 1: Trend in S/A revenue and revenue growth**



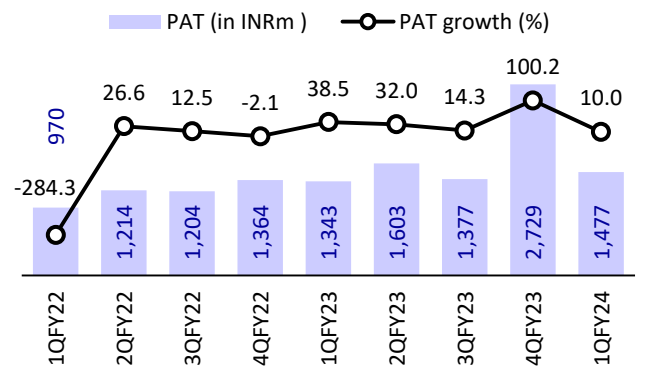
Source: Company, MOFSL

**Exhibit 2: Trend in consolidated EBITDA margin**



Source: Company, MOFSL

**Exhibit 3: Trend in PAT and PAT growth**



Source: Company, MOFSL

**Valuation and view**

- TIINDIA offers a robust growth story driven by: a) reasonable growth in the core business and b) leveraging strong cashflows of the core business (TI-1) to systematically incubate future growth platforms (TI-2) and opportunistic acquisition of stressed assets (TI-3) at attractive prices.
- Since Mr. Vellayan Subbiah was appointed as the Managing Director in Mar'17 (promoted to Executive Vice Chairman in Mar'22), TIINDIA has delivered strong operating performance (~430bp EBIT margin expansion, ~28% PAT CAGR FY17-23) despite operating in a challenging environment over the last three years. After delivering on the core businesses (TI-1), Mr Subbiah is now focused on

the new businesses (TI-2 and TI-3), whereas Mr Mukesh Ahuja (MD from Apr'22, earlier President of Tube Products of India) will take care of the core businesses. New acquisitions such as IPL tech and Moshine are a part of its strategy to ramp up the TI-2 side of the business.

- The TI-2 business based on venture capital model has seen seeding of several businesses viz a) optics lens, b) e-3W, b) e-tractors, c) e-CVs, and d) CDMO. Further, it has acquired Lotus Surgical, which is in the domain of medical technology, an area of focus for TIINDIA under TI-2. Additionally, it is looking to get into electronics manufacturing in India as a play on localization. These businesses offer a huge potential, though it may take time for them to scale up. In our consolidated estimates, we are not building in for any material contribution from these businesses yet. Based on our DCF-based estimates, we add value of ~INR287 per share to our Mar-25 based SOTP from e-3Ws and tractors businesses.
- For the standalone business, we estimate 16% revenue CAGR over FY23-25 and EBITDA CAGR of 17%, led by an EBITDA margin expansion of 90bp to 13.1% (vs. peak of 12.8% in FY20), driven by improving mix, operating leverage, and 'Lean' project initiatives. As a result, we estimate PAT to clock a CAGR of 23% over FY23-25.
- At a consolidated level, we estimate revenue/EBITDA/PAT CAGR of ~13%/18%/33% over FY23-25. We estimate consolidated RoCE to improve 150bp to 40.2% by FY25. We are not building in for any benefit from new ventures under TI-2 (except Lens business, which is part of Others) in our consolidated performance.
- **Valuation and view:** We have lowered our FY24E/FY25E consolidated EPS estimates by 3% each, adversely impacted by 4% cut in S/A revenue, due to moderation in revenue growth in key businesses. TII offers diversified revenue streams, with strong growth in the core business (~23% S/A PAT CAGR over FY23E-25E), ramp-up in CG Power and optionality of new businesses incubated under the TI-2 strategy. The stock trades at 53.2x/43.5x FY24E/FY25E consolidated EPS. We reiterate a BUY rating and a TP of ~INR3,655 (premised on Sep'25E SOTP, based on 35x for the standalone business, valuing listed subsidiaries at 20% HoldCo discount and ~INR287 for 2 EV businesses).

#### Exhibit 4: Revised estimates (consolidated)

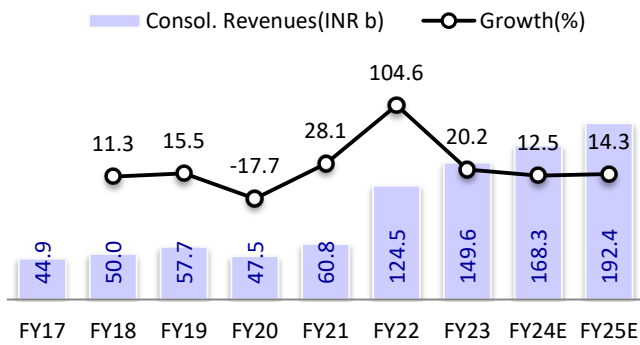
(INR b)	FY24E			FY25E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	168.3	171.4	-1.8	192.4	196.5	-2.1
<b>EBITDA Margin (%)</b>	<b>13.4</b>	<b>13.4</b>	<b>0bp</b>	<b>13.7</b>	<b>13.7</b>	<b>-10bp</b>
PAT	11.3	11.6	-2.6	13.8	14.3	-3.4
<b>EPS (INR)</b>	<b>58.6</b>	<b>60.2</b>	<b>-2.6</b>	<b>71.7</b>	<b>74.2</b>	<b>-3.4</b>

#### Exhibit 5: TIINDIA – SoTP based Target Price

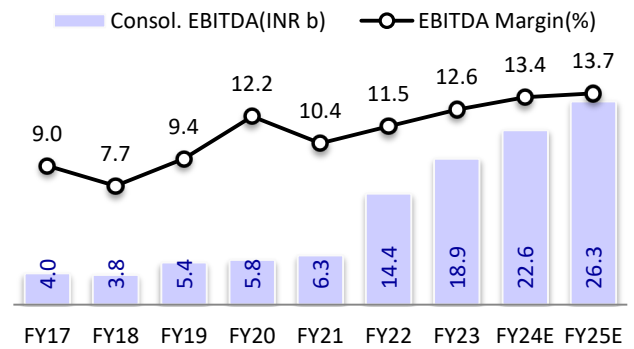
SOTP (INR/Share)	FY24E	FY25E	FY26E
Value of S/A Business @ 35x Core EPS	1,306	1,589	1,947
Value for e-3W business	145	160	161
Value for e-Tractor business	112	126	128
<b>Value of listed subs post hold-co discount (20%)</b>	<b>20</b>		
Shanthi gear	101	101	101
CG power	1,493	1,493	1,493
<b>Fair value (INR/Share)</b>	<b>3,157</b>	<b>3,468</b>	<b>3,830</b>

## Story in charts

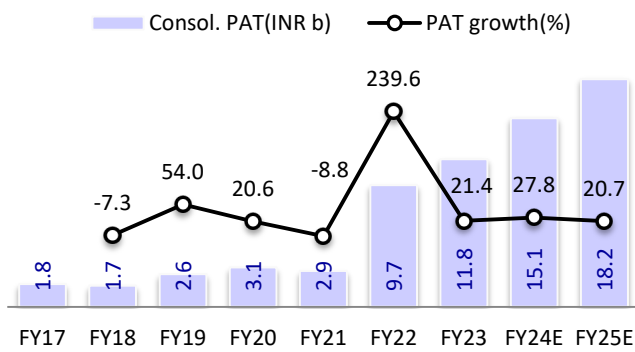
**Exhibit 6: Trend in consolidated sales**



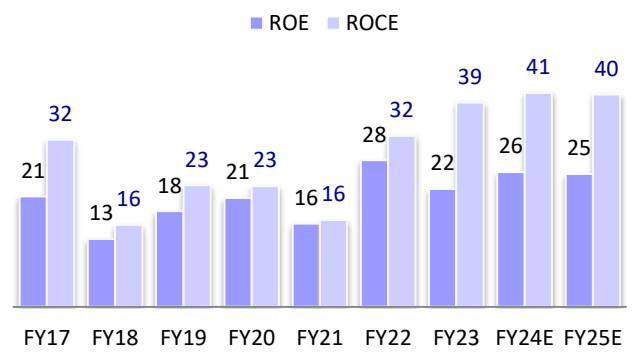
**Exhibit 7: Trend in consolidated EBITDA**



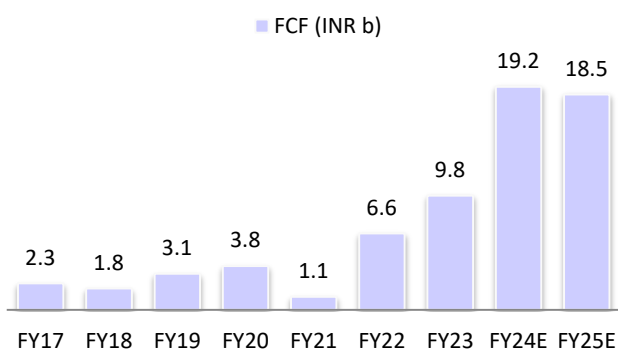
**Exhibit 8: Trend in consolidated PAT**



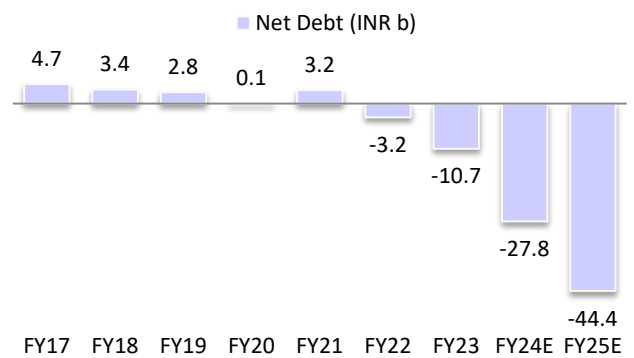
**Exhibit 9: Trend in consolidated capital efficiency**



**Exhibit 10: Trend in FCF**



**Exhibit 11: Trend in net debt**





## Financials and valuations

### Consolidated - Income Statement

(INR Million)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Net Op. Revenues</b>	<b>50,000</b>	<b>57,748</b>	<b>47,504</b>	<b>60,833</b>	<b>1,24,474</b>	<b>1,49,647</b>	<b>1,68,298</b>	<b>1,92,446</b>
Change (%)	11.3	15.5	-17.7	28.1	104.6	20.2	12.5	14.3
<b>Total Expenditure</b>	<b>46,163</b>	<b>52,301</b>	<b>41,719</b>	<b>54,486</b>	<b>1,10,122</b>	<b>1,30,772</b>	<b>1,45,734</b>	<b>1,66,162</b>
% of Sales	92.3	90.6	87.8	89.6	88.5	87.4	86.6	86.3
<b>EBITDA</b>	<b>3,836</b>	<b>5,447</b>	<b>5,785</b>	<b>6,347</b>	<b>14,353</b>	<b>18,876</b>	<b>22,564</b>	<b>26,283</b>
Margin (%)	7.7	9.4	12.2	10.4	11.5	12.6	13.4	13.7
Depreciation	1,535	1,616	1,853	2,506	3,466	3,959	4,187	4,501
<b>EBIT</b>	<b>2,301</b>	<b>3,831</b>	<b>3,932</b>	<b>3,841</b>	<b>10,887</b>	<b>14,917</b>	<b>18,377</b>	<b>21,782</b>
Interest charges	585	528	304	459	820	425	383	366
Other Income	586	532	623	681	1,044	1,433	2,129	2,871
<b>PBT bef. EO Exp.</b>	<b>2,302</b>	<b>3,835</b>	<b>4,252</b>	<b>4,064</b>	<b>11,112</b>	<b>15,925</b>	<b>20,123</b>	<b>24,288</b>
EO Income/(Exp)	-33	30	-220	-419	202	81	0	0
<b>PBT after EO Exp.</b>	<b>2,269</b>	<b>3,865</b>	<b>4,032</b>	<b>3,645</b>	<b>11,314</b>	<b>16,006</b>	<b>20,123</b>	<b>24,288</b>
Current Tax	723	1,228	1,144	1,074	1,731	2,593	5,071	6,120
Deferred Tax	-140	40	-244	-286	-123	1,633	0	0
Tax Rate (%)	25.7	32.8	22.3	21.6	14.2	26.4	25.2	25.2
Less: Mionrity Interest	131	89	0	106	2,251	3,890	3,739	4,329
<b>Reported PAT</b>	<b>1,555</b>	<b>2,508</b>	<b>3,133</b>	<b>2,752</b>	<b>7,454</b>	<b>7,889</b>	<b>11,313</b>	<b>13,838</b>
<b>Adjusted PAT</b>	<b>1,579</b>	<b>2,488</b>	<b>3,303</b>	<b>3,080</b>	<b>7,281</b>	<b>7,830</b>	<b>11,313</b>	<b>13,838</b>
Change (%)	-36.4	57.5	32.8	-6.8	136.4	7.5	44.5	22.3
Margin (%)	3.2	4.3	7.0	5.1	5.8	5.2	6.7	7.2

### Consolidated - Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	188	188	188	193	193	193	193	193
<b>Net Worth</b>	<b>12,723</b>	<b>14,754</b>	<b>17,337</b>	<b>21,718</b>	<b>30,711</b>	<b>39,506</b>	<b>49,140</b>	<b>60,900</b>
Minority Interest		962	726	3,360	6,542	10,049	13,787	18,117
Deferred Tax Liabilities		0	181	107	72	319	0	0
Total Loans	5,359	5,079	2,694	13,262	8,038	6,291	6,291	6,291
<b>Capital Employed</b>	<b>18,082</b>	<b>20,795</b>	<b>20,939</b>	<b>38,447</b>	<b>45,362</b>	<b>56,166</b>	<b>69,219</b>	<b>85,308</b>
Gross Block	14,893	17,126	19,753	39,006	40,078	45,006	49,550	53,180
Less: Accum. Deprn.	4,519	6,049	7,820	10,353	13,584	17,542	21,729	26,231
<b>Net Fixed Assets</b>	<b>10,374</b>	<b>11,077</b>	<b>11,933</b>	<b>28,654</b>	<b>26,494</b>	<b>27,464</b>	<b>27,821</b>	<b>26,949</b>
Goodwill on Consolidation	3,082	3,091	3,092	5,998	6,631	8,345	8,345	8,345
Capital WIP	901	689	585	1,353	1,283	1,914	1,000	1,000
<b>Total Investments</b>	<b>1,680</b>	<b>1,762</b>	<b>2,266</b>	<b>4,267</b>	<b>5,537</b>	<b>7,410</b>	<b>7,410</b>	<b>7,410</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>17,080</b>	<b>16,989</b>	<b>12,927</b>	<b>37,592</b>	<b>43,722</b>	<b>52,139</b>	<b>81,253</b>	<b>1,05,585</b>
Inventory	7,609	8,148	5,586	11,094	13,271	13,529	20,749	23,726
Account Receivables	6,970	6,806	5,246	12,785	17,853	21,289	25,360	28,999
Cash and Bank Balance	325	560	378	5,755	5,727	9,536	26,729	43,238
Loans and Advances	2,177	1,474	1,716	7,958	6,871	7,785	8,415	9,622
<b>Curr. Liability &amp; Prov.</b>	<b>14,454</b>	<b>13,024</b>	<b>9,970</b>	<b>51,914</b>	<b>43,432</b>	<b>39,425</b>	<b>54,929</b>	<b>62,300</b>
Account Payables	9,506	9,614	6,959	22,570	23,432	23,191	26,751	30,501
Other Current Liabilities	4,235	2,675	2,371	26,312	17,717	13,302	25,245	28,867
Provisions	714	735	640	3,032	2,283	2,933	2,933	2,933
<b>Net Current Assets</b>	<b>2,626</b>	<b>3,965</b>	<b>2,957</b>	<b>-14,322</b>	<b>289</b>	<b>12,714</b>	<b>26,324</b>	<b>43,285</b>
Deferred Tax assets	425	211	106	7,592	5,136	3,350	3,350	3,350
<b>Appl. of Funds</b>	<b>19,086</b>	<b>20,795</b>	<b>20,939</b>	<b>38,447</b>	<b>45,363</b>	<b>56,166</b>	<b>69,219</b>	<b>85,308</b>

E: MOFSL Estimates



## Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>8.4</b>	<b>13.2</b>	<b>17.6</b>	<b>16.0</b>	<b>37.7</b>	<b>40.5</b>	<b>58.6</b>	<b>71.7</b>
Cash EPS	16.6	21.9	27.4	29.0	55.7	61.0	80.3	95.0
BV/Share	67.9	78.6	92.3	112.6	159.2	204.6	254.5	315.4
DPS	2	2	4	4	4	4	9	11
Payout (%)	22.3	19.9	21.0	24.5	9.1	8.6	14.8	15.0
<b>Valuation (x)</b>								
P/E	369.8	235.1	177.2	195.0	82.5	76.8	53.2	43.5
Cash P/E	187.5	142.5	113.5	107.5	55.9	51.0	38.8	32.8
P/BV	45.9	39.6	33.8	27.7	19.6	15.2	12.2	9.9
EV/Sales	11.8	10.2	12.4	10.0	4.8	4.0	3.5	2.9
EV/EBITDA	153.6	108.2	101.6	95.8	42.0	31.7	25.8	21.5
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.3
FCF per share	9.7	16.5	20.1	5.8	34.1	50.9	99.4	95.9
<b>Return Ratios (%)</b>								
RoIC	11.5	21.5	27.2	19.6	30.9	28.3	35.9	33.9
RoE	12.8	18.1	20.6	15.8	27.8	22.3	25.5	25.2
RoCE	15.5	23.0	22.9	16.4	32.4	38.7	40.5	40.2
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	3.4	3.4	2.4	1.6	3.1	3.3	3.4	3.6
Asset Turnover (x)	2.6	2.8	2.3	1.6	2.7	2.7	2.4	2.3
Inventory (Days)	56	51	43	67	39	33	45	45
Debtor (Days)	50	43	40	77	52	52	55	55
Creditor (Days)	69	61	53	135	69	57	58	58
Working Cap. Turnover (Days)	17	22	20	-120	-16	8	-1	0

### Consolidated - Cash Flow Statement

(INR Million)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	2,269	3,865	4,032	3,645	11,284	15,810	20,123	24,288
Depreciation	1,534	1,616	1,715	2,506	3,466	3,959	4,187	4,501
Interest & Finance Charges	585	528	304	459	820	425	383	366
Direct Taxes Paid	-692	-1,182	-1,223	-990	-1,149	-2,450	-5,071	-6,120
(Inc)/Dec in WC	405	250	1,162	-3,157	-4,803	-3,322	3,263	-451
Others	-10	-146	-28	108	-663	-564	-67	-428
<b>CF from Operating</b>	<b>4,091</b>	<b>4,930</b>	<b>5,961</b>	<b>2,572</b>	<b>8,955</b>	<b>13,857</b>	<b>22,819</b>	<b>22,156</b>
(Inc)/Dec in FA	-2,267	-1,835	-2,191	-1,449	-2,376	-4,024	-3,630	-3,630
<b>Free Cash Flow</b>	<b>1,823</b>	<b>3,095</b>	<b>3,770</b>	<b>1,123</b>	<b>6,580</b>	<b>9,833</b>	<b>19,189</b>	<b>18,526</b>
(Pur)/Sale of Investments	253	-275	-344	-2,169	-883	-3,248	0	0
Others	110	158	76	170	2,472	-1,227	2,129	2,871
<b>CF from Investments</b>	<b>-1,904</b>	<b>-1,953</b>	<b>-2,459</b>	<b>-3,448</b>	<b>-787</b>	<b>-8,499</b>	<b>-1,501</b>	<b>-759</b>
Issue of Shares	1	26	40	3,472	33	51	0	0
Inc/(Dec) in Debt	-1,503	-1,543	-1,744	439	-6,147	-1,567	0	0
Interest Paid	-622	-631	-281	-337	-829	-291	-383	-366
Dividend Paid	-785	-657	-1,059	-423	-724	-1,687	-1,679	-2,078
Others	93	0	204	2,658	-1,543	2,748	0	0
<b>CF from Fin. Activity</b>	<b>-2,815</b>	<b>-2,804</b>	<b>-2,841</b>	<b>5,809</b>	<b>-9,209</b>	<b>-747</b>	<b>-2,062</b>	<b>-2,444</b>
<b>Inc/Dec of Cash</b>	<b>-628</b>	<b>174</b>	<b>661</b>	<b>4,933</b>	<b>-1,040</b>	<b>4,611</b>	<b>19,255</b>	<b>18,953</b>
Opening Balance	144	-485	-311	350	5,158	4,118	8,729	27,984
<b>Closing Balance</b>	<b>-485</b>	<b>-311</b>	<b>350</b>	<b>5,282</b>	<b>4,118</b>	<b>8,729</b>	<b>27,984</b>	<b>46,937</b>

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