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By Asit C. Mehta
A Pantomath Group Company

Ramkrishna Forgings Ltd

Forging Strength,
Delivering Success

Accumulate

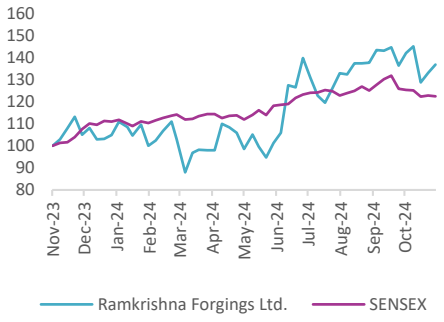
Key Data	
DATE	08-11-2024
Reco Price	970-980
Target	1255
Sector	Capital Goods-Castings & Forgings
BSE Code	532527
NSE Code	RKFORGE
Face Value (Rs.)	2.00
Market Cap (Mn)	1,76,256.77
52-week High/Low (Rs)	1064.05/602.05

Source : NSE. BSE

Shareholding pattern (Sep-2024)	%
Promoters	43.17
DIIs	5.12
FIIs	24.26
Public	27.43
Total	**100.00**

Source : NSE. BSE

Price Performance



Rebase to 100

Ramkrishna Forgings Limited

Company Background

Ramkrishna Forgings Limited (RKFL) was incorporated in 1981, primarily engaged in the manufacturing and sale of forged components for automobiles, railway wagons & coaches, and engineering parts. Its products include rolled products, forged products, and machined products. RKFL is also a critical safety item supplier for screw coupling, bolster suspension, side frame keys, and draw gear assembly for railway coaches and wagons. The Company has manufacturing facilities in Gamaria, Adityapur industrial area, Baliguma, Dugni at Saraikela, Jamshedpur in Jharkhand, and Liluah in West Bengal. RKFL manufactures forged and computer numerical control machined components for the automobile, railways, defense, oil & gas, and mining sectors. The company produces components for transmissions and axles, including shafts, gearboxes, crown wheels, pinions, spindles, and bearing rings for the automotive sector.

Outlook and Valuation

Ramkrishna Forgings is well-positioned to benefit from sectoral growth due to its established presence, technological capabilities, and strategic access to resources. The company's diversified approach across automotive, railways, and defense sectors aligns with the increasing demand for forged components, especially in emerging economies. With over 40 years of manufacturing experience, RKFL leverages its engineering expertise to strengthen its competitive edge through continuous process upgrades, advanced technology adoption, and a skilled talent pool. This diversified product portfolio enables the company to capitalize on market demands while effectively mitigating risks, enhancing its growth prospects and market position. **Factoring these strengths, we value RKFL at 26X FY27E EPS, setting a target price of Rs. 1,255 per share, implying an upside potential of 29% from the recommended price. This valuation reflects RKFL's strong positioning to capture emerging industry opportunities and drive long-term growth.**

Financial Snapshot (Consolidated)

Particulars (Rs. in Mn.)	FY24	FY25E	FY26E	FY27E	CAGR % (FY24 - FY27E)
Revenue	39,549	47,459	56,950	68,340	20%
EBITDA	8,423	10,345	12,698	15,580	23%
EBITDA %	21.3%	21.8%	22.3%	22.8%	
PAT	3,414	4,469	6,333	8,735	37%
EPS (Rs.)	18.9	24.72	35.0	48.3	

Source: Company, ACMIIL Retail Research

Company at glance

- Ramkrishna Forgings holds a leading position in India's forging industry, being the largest in Eastern India and among the biggest nationwide, serving both Indian and international clients with forged goods.
- It is a global force in the metal forming industry, renowned for its world-class forged, machined, and fabricated products.
- The company supplies to diverse sectors, including Automotive, Railways, Farm Equipment, Earth Moving, Mining & Construction, Oil & Gas, Power, and General Engineering.
- The advanced integrated facility, equipped with state-of-the-art machinery, enables the company to offer a diverse product range, enhancing its adaptability and market reach.
- The company has made inorganic acquisitions to expand its production capacity and product portfolio, diversify its customer base, and strengthen its presence in different geographies.

Diversified Product Portfolio

Company Business and Products

The Company is primarily engaged in the manufacturing and sale of forged components of automobiles, railway wagons & coaches, and engineering parts.

The product portfolio includes:

A) **Forged Products**: This category includes products in the weight ranges of 2 kg to 200 kg, such as Crankshaft, I-Beam, Knuckle, Diff Case, etc.

B) **Rolled Products:** This category features a fully automated Ring Rolling Line, along with an ISO thermal Annealing line and CNC-controlled Vertical Machining Centers with Robo drills, providing full machining capabilities as per the customer's requirements.

C) **Machined Products:** This category encompasses different types of Gear, Front hubs, Pitman arms, Prop Shafts, etc.

Automotive Categories

Front Axle & Steering


I Beam


Knuckle


Steering Arm


Tie Rod Arm


Sector Shaft


Front Hub

Engine


Crankshaft


Camshaft


Connecting Rod


Piston


Pitman Arm

Suspension & Chassis


BC Lever Assembly


Mounting Brackets


Yokes


UJ Cross

Transmission


Transmission Gears


Transmission Shafts Gears

Rear Axle


Crown Wheel


Pinion


Differential Case


Differential Case Cover


Spindle

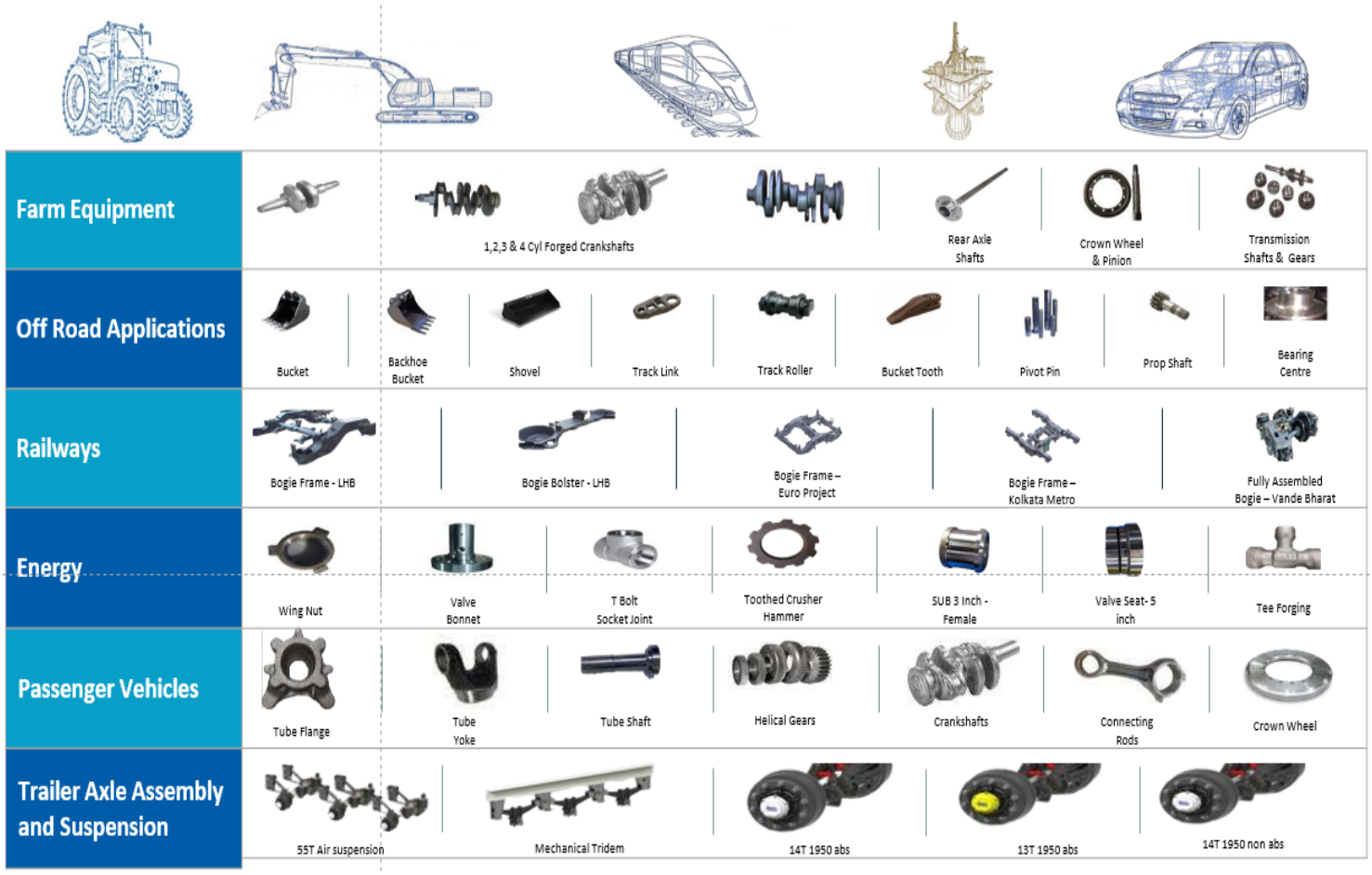

Rear Axle Shaft


Spider


Differential Gear & Pinion

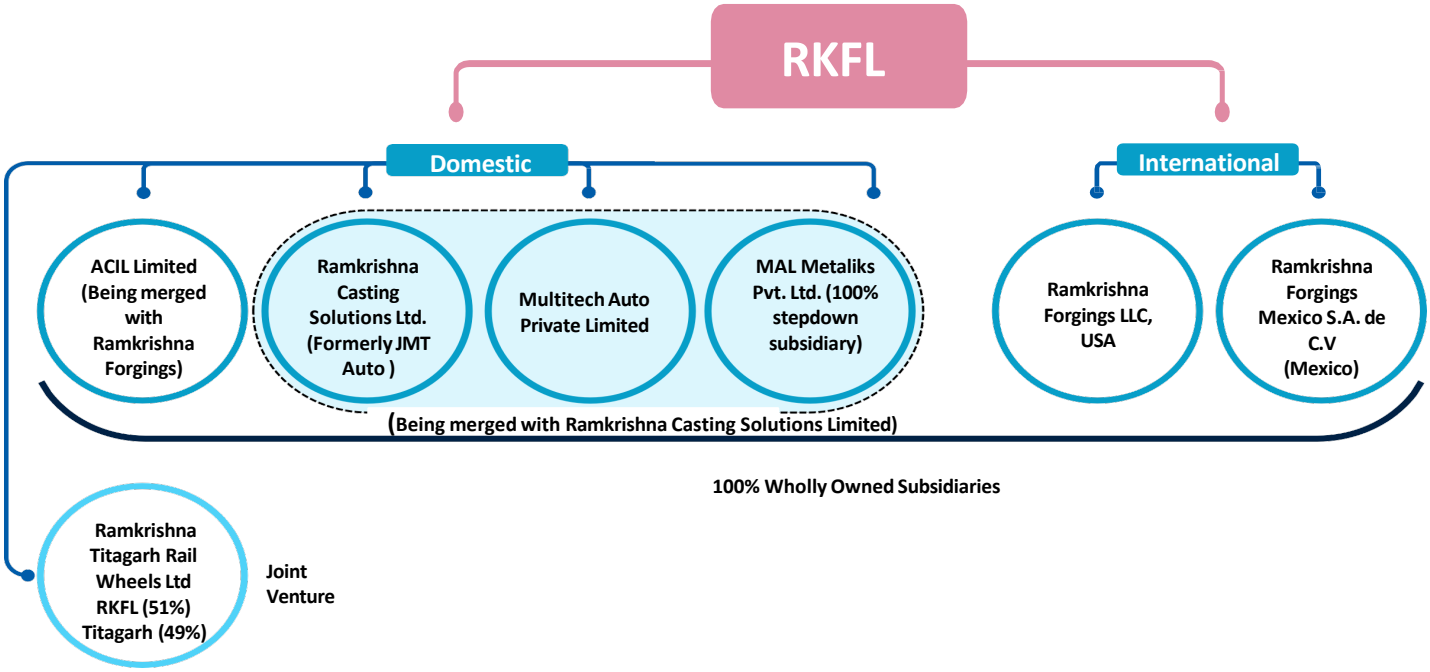
Source: Company, ACMIIL Retail Research

Other Categories



Source: Company, ACMIIL Retail Research

Corporate structure



Note: Ramkrishna Aeronautics Pvt ltd merged with ACIL ltd. W.e.f February 20, 2024
Source: Company, ACMIIL Retail Research

Investment Rationale

Strengthening Growth with Diversified Expansion into Non-Automotive Sectors

Ramkrishna Forgings (RKFL) is diversifying its growth strategy across multiple end-user industries, moving beyond its core automotive segment to capture opportunities in sectors such as railways, farm equipment, assemblies, oil & gas, mining and the electric vehicle (EV) industry. This multi-dimensional approach is expected to enhance the company's EBITDA and margin profile over time.

Sectoral	Details
Railway safety-critical components	RKFL a key supplier for Indian Railways, providing essential safety-critical parts for both conventional and advanced LHB coaches. With approvals for vital parts like bogie bolsters and frames, RKFL ensures high-quality production through state-of-the-art facilities, contributing to the reliability and safety of India's rail network
Oil, gas, and power sector components	RKFL has expanded into the energy sector by developing critical components for Power and Oil & Gas industries. By combining metallurgical expertise with innovative solutions, RKFL delivers durable, reliable products designed to meet the specific demands of these sectors, driving its growth in a vital market.
Mining and construction durability solutions	RKFL is known for highly durable products suited for extreme conditions, it collaborates with clients in the mining and construction sectors to create reliable, performance-driven components. The company's fabrication plant produces high-quality parts that enhance operational efficiency and safety, establishing RKFL as a trusted industry partner.

RKFL is actively advancing its non-automotive diversification, targeting a portfolio shift to approximately 60% automotive and 40% non-automotive revenue within the next 3-5 years, with the railway sector as a major growth driver in the coming years. This shift aligns with RKFL's vision for sustainable growth across varied industries.

Strategic access to raw materials and advanced manufacturing facilities

One of the key advantages Ramkrishna Forgings holds is strategic access to raw materials and a vertically integrated infrastructure. This setup reduces dependency on external suppliers and enhances cost control, a critical aspect in the capital-intensive forging industry. The company's advanced manufacturing facilities, equipped with cutting-edge forging and heat-treatment technologies, help produce durable, high-performance products that meet strict industry standards. These facilities give Ramkrishna Forgings a competitive edge in delivering high-quality, reliable components to OEMs and Tier-1 suppliers across the globe.

Global Leadership in Automotive Component Manufacturing

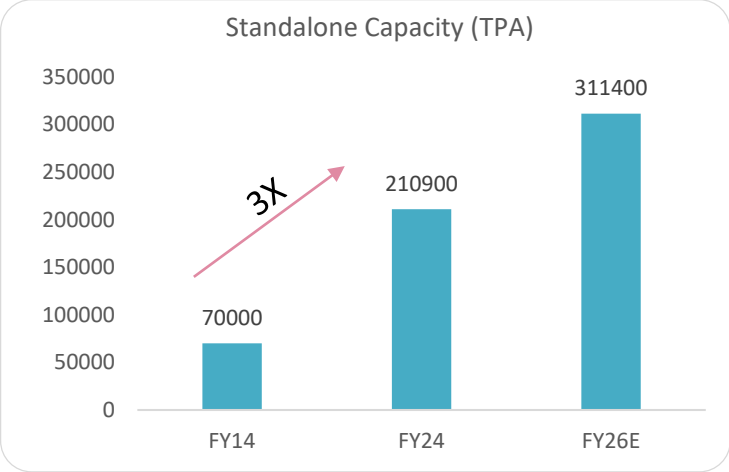
RKFL has established itself globally as one of the most trusted manufacturers of automotive components, thanks to a well-balanced combination of advanced technology and the engineering and manufacturing skills developed over the years. The company is capable of producing more than two-thirds of all forgings required in commercial vehicles, placing it in a unique position to count numerous global marquee OEMs and Tier 1 suppliers among its customers. RKFL continues to serve its clients through a variety of forging technologies, high precision machining, design and engineering excellence.

Strategic Capacity Expansion and Inorganic acquisitions to Drive Growth and Strengthen EV Market Position

- **The Ramkrishna Forgings and Titagarh Rail Systems JV for Rail Wheel project**
  The Ramkrishna Forgings and Titagarh Rail Systems Consortium has received a Letter of Award (LOA) to manufacture and supply forged wheels for Indian Railways, with Ramkrishna Forgings holding a 51% stake as the lead partner. A new plant in Chennai, Tamil Nadu, will produce 228,000 wheels annually, with a project cost of Rs. 2,000 crore funded by debt and equity, including Rs. 230 crore already infused by September 2024. Construction is on schedule, machinery has been ordered for delivery starting FY25, and operations are expected to begin by January FY26.

- **Acquired ACIL**
  RKFL's acquisition of ACIL Limited, a company specialized in machining high-precision automotive components, enables RKFL's entry into the tractor and passenger vehicle (PV) segments. ACIL primarily manufactures crankshafts for tractors, heavy and light commercial vehicles, and two-wheelers, along with connecting rods, steering knuckles, and hubs. This forward integration allows RKFL to supply machined crankshafts across various vehicle categories. ACIL has a production capacity of 4.8 million two-wheeler crankshafts and 240,000 three/four-cylinder crankshafts annually, serving clients like John Deere, Maruti Suzuki, and Honda Motorcycles.

Capacity Expansion details with capex outline



RKFL has steadily scaled its operations through consistent capacity expansions, nearly tripling its installed capacity from FY14 to reach 210,900 tonnes per annum (TPA) by FY24. This growth is set to continue, with planned additions over the next two years is expected to increase standalone capacity to approximately 311,400 TPA by FY26. The Company has allocated a capital expenditure (capex) of approximately Rs. 613 crore for FY25. Of this, around Rs. 150 crore will be raised through debt, with the remaining funded via internal accruals. For FY26, the planned capex is approximately Rs. 300-350 crore, which will also be financed through internal accruals. This financial commitment supports the company's expansion, including the establishment of a high-capacity production facility to meet the targets.

The table below states capacity expansion and expected commencement timeline

Particulars (TPA)	Existing (H1FY25)	FY25E	FY26E
Capacity -Standalone			
Forging	229,150	308,400	311,400
Hot Forging		40,000 (Q4FY25)	
Cold Forging		25,000 (Q3FY25)	
Aluminum Forgings			3000 (Q1FY26)
Upsetter Forgings		14,250 (Q3FY25)	
Capacity – Subsidiary			
Casting (Multi tech & JMT Auto)	33,600	62,400	
Expansion of Multitech Auto Pvt Ltd.		28,800	
Forging (RKCSL)	4,000	22,000	
Expansion of JMT Auto		18,000	
Total	**266,750**	**392,800**	**395,800**

RKFL is expanding its capabilities to support the EV sector with the commissioning of a **3,000 TPA** aluminum forging plant, alongside increased capacity at the recently acquired Multitech Auto and ACIL. Over the past decade, RKFL has enhanced production with advanced machinery, including upsetter machines and forging lines, and this aluminum forging investment positions the company strongly in the growing EV market.

- **Multitech Auto Pvt Ltd.**

  RKFL's acquisition of Multitech Auto Pvt. Ltd. (MAPL) has strengthened its position in high-quality SG and CI castings, as well as ADI castings, where MAPL is a pioneering provider in Eastern India. MAPL's advanced manufacturing capabilities include precision-machined ADI, SG, and CI castings from 1 kg to 45 kg, with a current capacity of 21,600 MT per annum, set to expand to **28,800 MT** by FY25. The company specializes in precision components, including brakes, gearboxes, axles, and suspension parts for commercial vehicles and railways, with extensive machining, heat treatment, and inspection facilities.

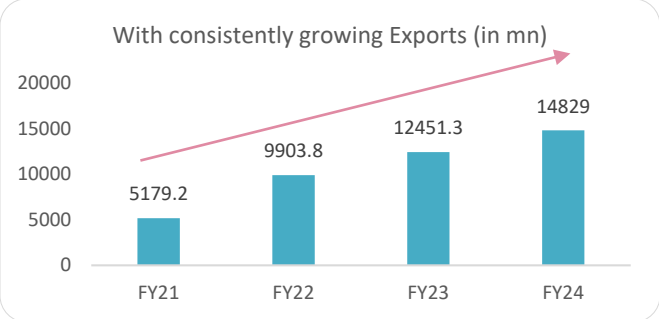
- **Ramkrishna Casting Solutions Limited (formerly JMT Auto)**

  RKFL's acquisition of Ramkrishna Casting Solutions Limited (formerly JMT Auto) brings significant expertise in the automotive sector, particularly in heat treatment and precision gear and shaft manufacturing, with advanced CNC technology. The company produces a broad range of components—such as gears, shafts, axles, and engine parts—for sectors including automotive and oil & gas. Key clients have agreed to restart business following plant audits. Ramkrishna Casting Solutions has a casting capacity of 12,000 MT per annum and forging capacity set to expand by **18,000 MT**, with established divisions for casting, forging, and machining.

Through the expansion of Multitech Auto and JMT Auto, RKFL is also advancing in the casting and machining segments.

Expanding Global Export Reach with Strategic Investments

RKFL's investment in advanced forging technologies has established it as a key global player. The company's extensive equipment, including hammers, upsetters, ring rolling lines, and press lines, enables the production of high-precision components for international customers. Additional capabilities, such as extrusion forging lines and warm forging presses, further enhance its ability to manufacture complex parts like differential gears and pinions.



RKFL's export revenues have grown, driven by increased exposure in the European market and strong demand from North America. The company has expanded its product offerings and secured new customers in both regions. With the setup of a new facility in Mexico, RKFL expects to further strengthen its North American presence, with revenue growth anticipated in the coming quarters. The company is confident in continued growth and market consolidation in both regions. Additionally, it is exploring opportunities to enter new markets.

Empowering Growth with Advanced Technology and Sustainability

- **Technological investment for a competitive edge**
  Ramkrishna Forgings (RKFL) maintains a leading position in the forging industry through substantial investments in technology, cutting-edge facilities, and advanced machinery.
- **Precision engineering and manufacturing**
  RKFL's manufacturing capabilities are bolstered by high-tech equipment, including turning centers, gear hobbing and grinding machines, vertical and horizontal machining centers (VMCs and HMCs), 5-axis machines, and Twin Spindle Unisigns. This setup allows RKFL to produce over 0.5 million precision components monthly, including safety-critical parts like front axle beams. Automation in machine shops is maximized with Poka Yoke mechanisms, control systems, and strict preventive and predictive maintenance for optimal productivity.
- **Tool and die excellence**
  RKFL's tool and die manufacturing is supported by specialized die shops equipped with advanced machinery and 3D scanning technology. This setup enables rapid die development and quality assurance.
- **Metallurgy and material quality assurance**
  The company's NABL-accredited metallurgy labs (ISO 17025:2005) ensure high-quality standards. Advanced testing equipment, such as mobile spectrometers, ultrasonic flaw detectors, and optical microscopes, verify material quality and reliability.
- **In-house heat treatment for optimal strength**
  RKFL uses in-house heat treatment processes, including Normalizing, Iso-Annealing, Hardening & Tempering, Carburizing, and Induction Hardening, managed by advanced PLC and SCADA systems. These methods adhere to CQI-9 Standards, ensuring material strength and durability.
- **Heavy metal fabrication for key sectors**
  RKFL's ultra-modern heavy metal fabrication facility is outfitted with plasma and laser cutting machines, robotic welding, cone bending, and 5-axis milling equipment, producing critical components for Earth Moving, Mining, Construction, and Railways sectors.
- **Commitment to sustainability and ESG approach**
  RKFL demonstrates environmental responsibility by sourcing renewable energy for its power needs and maintaining a Greenhouse Gas Inventory aligned with ISO 14064 standards, underscoring its dedication to sustainable practices.

Industry Overview & growth Drivers

The global forging market has experienced strong growth in recent years and is projected to expand from Rs. 94.74 billion in 2023 to Rs. 132.06 billion by 2028, reflecting a compound annual growth rate (CAGR) of 6.7% over this period. In terms of volume, the market is expected to reach 1.76 million metric tonnes by 2028-29, growing at a CAGR of 5.4% from 2024 to 2029. Within India, the automotive sector holds a significant share, accounting for approximately 61.8% of forged components. In 2023, the automotive sector's contribution to the forging market was valued at around $3.6 billion, and it is expected to grow to $5.4 billion by 2029, at a CAGR of 7.6%. The Indian forging industry plays a crucial role in driving the nation's economic growth. With roots tracing back to ancient times, it has evolved into a robust and dynamic sector that embraces modern technologies and best practices. Currently, the industry consists of around 400 units, primarily concentrated in western and northern India, and produces approximately 2.2 million metric tonnes annually—capturing a substantial 7.8% share of the global market, second only to China. The industry's significance extends beyond manufacturing, as it is a key contributor to employment generation and skill development across the country. Currently, 35% of India's forged products are exported, with demand rising particularly from North America and Europe. This percentage is expected to increase as international interest continues to grow.

Industry forecasts indicate a projected growth rate in the range of 10%-15% for India over the next seven years, positioning the Indian forging sector for substantial growth and increased global relevance. The industry has gained momentum due to the 'China Plus One' strategy, along with rising energy costs in Europe, which has opened up new prospects for Indian forging companies. Over the next three years, capacity expansion is expected to increase production to between 3.5 and 4 million tonnes. Traditionally, the forging sector has catered primarily to the automotive industry, with 80% of its orders coming from automobile manufacturers. However, the industry is now diversifying into other sectors, including defense, aerospace, and railways.

Growth of India's Casting and Forging Industry: Automotive and Export Opportunities

The Indian automotive industry, the fourth-largest sector in the country, is on the upswing, with major producers relocating their manufacturing facilities closer to emerging consumer markets. Currently, India is the world's third-largest casting producer, creating more opportunities for the casting and forging industries, both in domestic production and exports. Casting and forging processes are essential in shaping intricate industrial components, but they differ significantly; forging predominantly uses iron and steel. No industrial product is considered complete without these processes, both of which have been integral since the industrial revolution. Forging, however, is often preferred over casting due to its superior directional strength, impact toughness, fatigue resistance, and structural integrity.

Casting and forging are key engineering segments supplying various components to end-user industries such as Railways, Automobiles, Defense, Aerospace, Material handling, Construction equipment, and Mines. The Indian casting and forging sector has equipped itself to retain its prowess and accelerate revenue from the auto sector. Heavy expansion by way of organic and inorganic growth has been playing an important role in this industry.

The Automotive industry depends significantly on steel-forged metal components. Forged steel is used for demanding applications such as crankshafts, transmission gears, and bearings, and is essential in handling the torque and stress placed on these components.

Adoption of Industry 4.0, Digitalization, and Technological Advancements in the Indian Forging Industry

Indian forging companies are rapidly embracing Industry 4.0 to boost productivity and operational efficiency. The integration of digital technologies, including advanced connectivity, data analytics, and automation, is transforming manufacturing processes across the sector. Industry 4.0 represents a shift towards digitalization, automation, and data-driven decision-making, enabling companies to remain competitive on the global stage. By leveraging these advancements, the forging industry can enhance precision, optimize supply chains, and improve overall operational efficiency. As the Indian forging industry enters its next growth phase, it is focusing on expanding capacity and upgrading technology to meet global production standards. Key priorities include the automation of processes, adoption of new materials such as aluminum, and investments in disruptive technologies like additive manufacturing. These technological upgrades are essential for sustaining growth and addressing the evolving needs of industries such as automotive, railways, and defense. Companies are also investing in the processing of lighter and stronger materials, positioning themselves to meet future demands for more efficient, sustainable, and high-performance components.

Expanding Focus on Electric and Hybrid Vehicle Markets

The global shift towards electric and hybrid vehicles presents a significant growth opportunity for Ramkrishna Forgings, as it continues to adapt its manufacturing capabilities to meet the evolving needs of the automotive industry. The Indian electric vehicle (EV) market is expected to see substantial growth, with projections indicating that EVs could account for more than 40% of India's automotive market by 2030, generating over $100 billion in revenue. This shift is largely driven by the growing demand for electric vehicles across segments, including two-wheelers, three-wheelers, and passenger cars.

For companies like RKFL, this transition provides an opportunity to expand its market share by producing components tailored for electric drivetrains, which require specific forged products that differ from traditional internal combustion engine vehicles. As the EV market grows, the company's expertise in manufacturing high-quality, durable forged components positions it well to serve this expanding market. Additionally, the industry's transition to EVs is supported by favorable government initiatives and increasing consumer adoption, which makes it a strategic move for the company to align its production capabilities with the demand for electric and hybrid vehicle components. By focusing on electric and hybrid vehicles, companies not only secures its place in a rapidly growing market but also diversifies its portfolio, mitigating the risks tied to the traditional automotive cycles. This proactive approach to industry shifts strengthens its competitive advantage and long-term growth prospects.

Impact of Government Initiatives and Infrastructure Growth on RKFL's Opportunities

Government initiatives like 'Make in India,' 'Skill India,' and the Production-Linked Incentive (PLI) schemes are driving significant growth in India's manufacturing and infrastructure sectors. In the 2024-2025 Union Budget, the government allocated over Rs.11.11 lakh crore for infrastructure development in FY25, up from Rs. 10 lakh crore in FY24. These infrastructure investments will further stimulate the demand for logistics services, which in turn drives the need for commercial vehicles. The increased production of commercial vehicles, including fuel-efficient models, directly benefits RKFL, which supplies durable forged components essential for these vehicles. Additionally, the government's focus on boosting manufacturing and exports opens new opportunities for RKFL to serve both domestic and international markets. The company's expansion into sectors like railways and construction, aligned with growing infrastructure demands, further positions it for sustained growth.

Evolution of the Indian Forging Industry and Its Opportunities

The Indian forging industry has undergone a significant transformation, shifting from a labor-intensive model to a capital-intensive manufacturing sector. With an installed capacity of approximately 3.85 million metric tonnes, the industry is now capable of processing a wide range of materials, including carbon steel, alloy steel, stainless steel, super alloys, titanium, and aluminum. This shift has been supported by a heavy investment in plant and machinery, totaling Rs. 27,833 crore. The industry's capacity is spread across various organized and unorganized players. For RKFL, this industry transition presents a substantial opportunity. As the industry invests in advanced manufacturing capabilities, RKFL is well-positioned to leverage its own investments in state-of-the-art machinery and technology to meet growing demand for high-performance forged components. The company's focus on capital-intensive manufacturing aligns with the broader industry trend, enabling RKFL to enhance production capacity, improve operational efficiency, and produce a diverse range of components critical for sectors such as automotive, railways, and construction. This transformation supports RKFL's goal to increase its market share, both domestically and internationally, while meeting the needs of an evolving, technology-driven industry.

Strategic Benefits of Geographical Clustering in India's Forging Industry

The geographical clustering of India's forging industry in key regions offers several strategic advantages. By being located near major customer bases and end-user industries, such as automotive, defense, railways, and construction, companies can benefit from cost efficiencies, improved supply chain management, and faster delivery times. This concentration of forging activity in states like Maharashtra, Punjab, Tamil Nadu, Haryana, and Delhi, among others, promotes regional economic growth and creates employment opportunities, thus contributing to the overall industrial development of the country. For companies like (RKFL), this geographic presence is particularly beneficial. The proximity to key manufacturing hubs in these states enables the company to reduce transportation costs, ensure quicker turnaround times for orders, and improve customer satisfaction. It also supports the company's ability to meet the growing demand for high-performance forged components from various sectors, including automotive, railways, and infrastructure development. Additionally, the local concentration allows to collaborate with suppliers and customers more efficiently, reinforcing its position in the competitive forging market.

Expanding Opportunities in Defense and Railway Sectors for Forging Companies

The growing investments in India's defense and railway sectors are promising opportunities for companies engaged in producing high-performance forged components. The Indian government has earmarked significant funds for defense modernization and infrastructure development. The defense sector is witnessing a substantial technological upgrade, with private sector involvement ramping up as part of efforts to reduce dependency on foreign suppliers and enhance self-reliance. The focus on domestic production under the "Make in India" initiative, particularly in sectors like missile systems, offers long-term growth potential. In parallel, the railway sector is also undergoing massive transformation, with a record Rs. 2.52 lakh crore allocated in the 2024-25 budget for modernization and expansion. This includes upgrading railway tracks, introducing new technologies like Vande Bharat trains, and developing economic corridors to improve connectivity. These investments are expected to boost demand for heavy-duty forged components used in railway infrastructure and rolling stock. For companies in the forging industry, such as Ramkrishna Forgings, these developments are highly beneficial. As both sectors require high-quality, durable components, the growing demand for forged products across defense and railway industries presents a significant growth opportunity, diversifying revenue streams and reducing exposure to cyclical shifts in the automotive market.

Story in Charts (Values in Mn.)

Exhibit 1: Sales

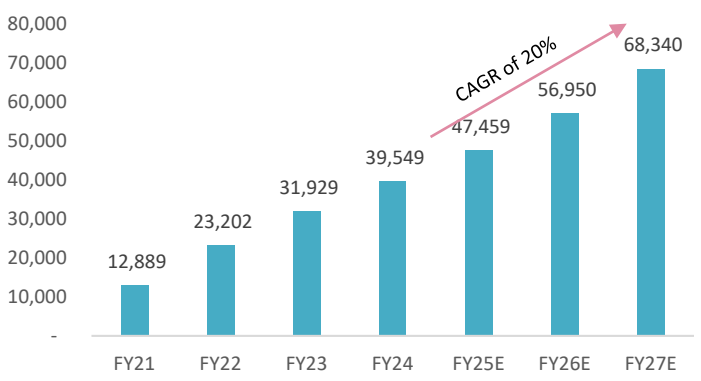


Exhibit 2: EBITDA & EBITDA %

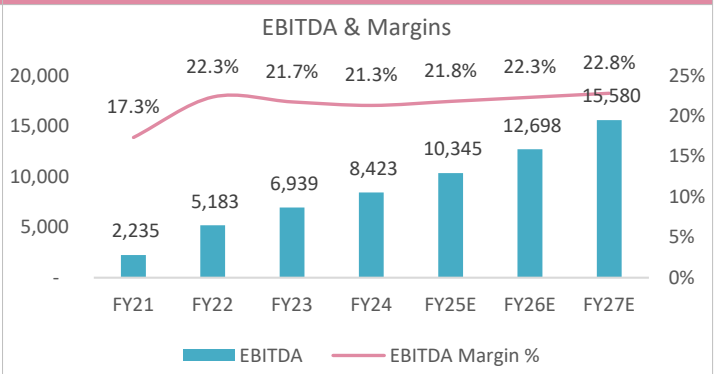


Exhibit 3: PAT & PAT margin

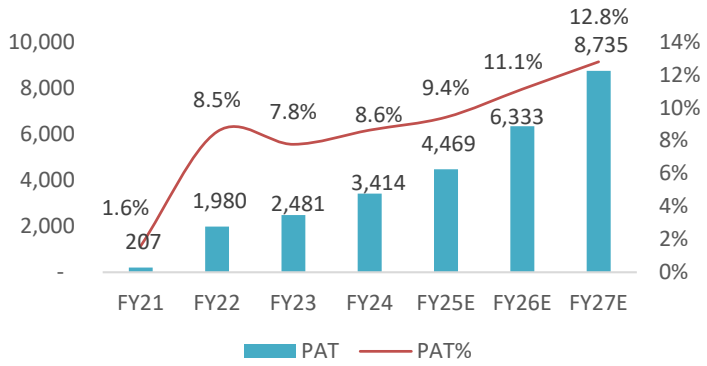


Exhibit 4: Revenue Mix Geography wise FY24

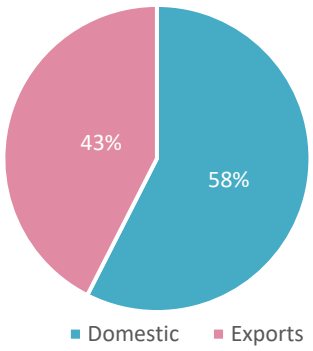
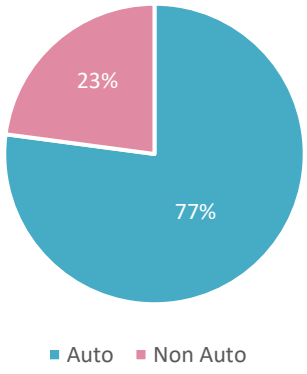


Exhibit 5: Revenue Mix Segment wise FY24



Source: Company, ACMIIL Retail Research

Financial Statements

Consolidated Profit & Loss Statement:

Particulars (Rs. in Mn.)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Sales	12,889	23,202	31,929	39,549	47,459	56,950	68,340
Expenses	10,654	18,020	24,990	31,126	37,114	44,252	52,761
EBITDA	**2,235**	**5,183**	**6,939**	**8,423**	**10,345**	**12,698**	**15,580**
EBITDA Margin %	**17.1%**	**22.3%**	**21.7%**	**21.3%**	**21.8%**	**22.3%**	**22.8%**
Other Income	56	15	40	289	150	150	150
Depreciation	1,167	1,694	2,016	2,576	3,233	3,282	3,142
Interest	806	972	1,218	1,539	1,304	1,122	941
PBT	**317**	**2,532**	**3,744**	**4,591**	**5,958**	**8,444**	**11,647**
Tax	111	552	1,263	1,176	1,490	2,111	2,912
PAT	**207**	**1,980**	**2,481**	**3,414**	**4,469**	**6,333**	**8,735**
PAT%	**1.6%**	**8.5%**	**7.8%**	**8.6%**	**9.4%**	**11.1%**	**12.8%**
EPS (Rs.)	**1.29**	**12.39**	**15.5**	**18.9**	**24.72**	**35.0**	**48.3**

Source: Company, ACMIIL Retail Research

Risks and concerns

- Economic slowdown due to external and internal factors can affect overall company's performance.
- Any kind of unexpected change in government policies and regulations.
- Geopolitical tensions and supply chain disruptions may impact the overall business and profitability of the company.
- Its major revenue source is the auto industry, and any kind of slowdown may affect the overall business of the company.

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