31 January 2025

3QFY25 Results Update | Sector: Automobiles

Craftsman Automation

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	CRAFTSMA IN
Equity Shares (m)	24
M.Cap.(INRb)/(USDb)	96.9 / 1.1
52-Week Range (INR)	7121 / 3782
1, 6, 12 Rel. Per (%)	-23/-20/-18
12M Avg Val (INR M)	376

Consol. Financials & Valuations (INR b)

INR b	FY25E	FY26E	FY27E
Sales	56.7	71.0	82.1
EBITDA	8.2	10.9	13.0
Adj. PAT	1.9	3.7	5.2
EPS (INR)	81.5	153.8	220.1
EPS Gr. (%)	-43.5	88.8	43.1
BV/Sh. (INR)	1,262	1,394	1,592
Ratios			
RoE (%)	8.3	11.6	14.7
RoCE (%)	8.3	10.7	12.9
Payout (%)	22.1	14.3	10.0
Valuations			
P/E (x)	50.0	26.5	18.5
P/BV (x)	3.2	2.9	2.6
Div. Yield (%)	0.4	0.5	0.5
FCF Yield (%)	-4.3	0.2	2.7

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	48.7	48.7	55.0
DII	21.0	21.5	17.2
FII	17.0	16.6	12.5
Others	13.3	13.2	15.3

FII Includes depository receipts

CMP: INR4,062 TP: INR4,275 (+2%) Neutral

Weak performance marred by start-up costs

Expect consolidated net debt to decline by INR5b to INR14b in FY26

- Craftsman Automation (CRAFTSMA) reported a weak performance in 3Q, primarily due to start-up costs for new plants and integration impact of the new acquisitions. This led to a significant PAT miss at INR241m (down 67% YoY, est. INR594m).
- On the back of significant start-up costs seen in 3Q, which are likely to prevail in the near term, we have sharply lowered our FY25/FY26 earnings estimates by 32%/20%. The key monitorables from hereon include: 1) a turnaround at Sunbeam, and 2) stabilization of the greenfields. While these strategic initiatives appear to be in the right direction for the long run, they are likely to hurt returns for at least the next 12-15 months. **Given the absence of any near-term earnings trigger and the execution risk of multiple projects, we maintain Neutral with a revised TP of INR4,275 (valued at 21x Dec'26E EPS).**

EBITDA declined due to impact of startup cost and weak demand

- 3QFY25 consol. revenue grew 40% YoY to INR15.8b (est. INR16.99b), while EBITDA/PAT declined 10%/67% YoY to INR1.99b/INR0.24b (est. INR1.95b/INR0.6b). 9MFY25 revenue grew 18% YoY, while EBITDA/PAT declined 12%/43% YoY. Revenue growth was largely driven by its inorganic expansion.
- EBITDA margin contracted 690bp YoY/330bp QoQ to 12.6% (est. 11.5%). The significant increase in other expenses and employee cost was due to – i) start-up costs for two greenfield facilities, ii) Sunbeam-related costs, iii) inflationary pressure, and iv) weak demand.
- Further, higher interest costs and lower other income led to a sharp miss in adj. PAT at INR241m (down 67% YoY, est. INR594m).
- Revenue for standalone business grew 15% YoY. Within the standalone business: revenue for auto powertrain/aluminum/industrials grew ~3%/37%/16% YoY.
- PBIT margin for standalone business: Powertrain 11.2% (-7pp YoY. Est. 15%); Aluminium products 6.4% (-7pp, est. 12.5%), Industrials 1.6% (-4.6pp, est. 2%).
- Exceptional items of INR147.6m during the quarter represent expenses incurred by SLSPL in relation to relocation of its Gurgoon facility and transfer of control to the company.

Growth Guidance

- Revenue: It expects consolidated revenue to rise from INR55b to INR70b next year. For FY26, Craftsman expects significant contributions from Kothavadi (INR1-1.5b), Bhiwadi (INR3b), and Hosur (INR1.5b).
- EBITDA is projected to grow 29% to over INR11b, and EBIT is forecast to increase 40% to INR7b. These figures reflect the impact of recent acquisitions.

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- The consolidated net debt for this FY is projected to be INR19b, with a debt-to-EBITDA ratio of 2.24x. If the Gurgaon land sale had happened, the debt would have been INR16b, bringing the ratio down to 1.88x. Hopeful to sell the land in FY26. Expects the consolidated debt to decline to INR14b next year.
- The capex has been at INR8.5b for the current year, which is expected to decline by at least half that amount next year.

Highlights from the management interaction

- **Sunbeam:** The Gurgaon plant relocation has begun and is expected to be completed by 1QFY26, after which the land sale will be considered. About 50% of employees opted for VRS and were relieved in Nov'24, with the remaining to be settled by April-May. It is expected to turn EBIT neutral by 2QFY26 and will be EBIT positive for the full FY26.
- **Kothavadi-** Several samples have been supplied to customers, and production is expected to begin in 4QFY25 upon approval. For the stationary engines and machining capacity (including the Arasur plant), the expected revenue in FY28-29 is around INR8.5b.
- **Hosur:** The plant will be operational by 2Q FY26 and will reach its full capacity by 4Q. The combined peak capacity for the Hosur and Bhiwadi alloy wheel plants is expected to be around INR8b by FY27.
- **Industrials:** The order book for automated storage is full for the next year, positioning the company to benefit from increased profitability in this area.

Valuation and view

- The start-up costs were significantly high in 3Q and are likely to prevail in some segments for a while given the long gestation for execution. As a result, we have sharply lowered our FY25/FY26 earnings estimates by 32%/20%.
- Management is currently in the midst of integrating multiple projects simultaneously: 1) integration and restructuring of Sunbeam, 2) ramp-up of new plants in Bhiwadi, Kothavadi and Hosur, 3) integration of Fornburg.
- This is happening at a time when its core segments, CVs and PVs, are seeing a weak demand trend. While these strategic initiatives appear to be in the right direction for the long run, they are likely to hurt returns for at least the next 12-15 months, by which time we hope to expect: 1) a turnaround in Sunbeam, and 2) stabilization of the greenfields. If any of these timelines are not met, it will lead to further downside risk to our earnings. **Given the absence of any near-term earnings trigger and the execution risk of multiple projects, we maintain Neutral with a revised TP of INR4,275 (valued at 21x Dec'26E EPS).**

Quarterly (Consol) **(INR Million)**

	FY24				FY25E				FY24	FY25E		Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net operating income	**10,376**	**11,791**	**11,297**	**11,053**	**11,512**	**12,140**	**15,761**	**17,284**	**44,517**	**56,696**	**16,992**	**-7.2**
Change (%)	53.5	52.9	50.8	12.7	10.9	3.0	39.5	56.4	39.9	27.4	50.4	
RM/Sales (%)	52.5	53.2	53.2	54.1	56.3	55.6	52.7	55.5	53.3	54.9	57.0	-430bp
Staff Cost (% of Sales)	6.5	6.1	6.8	6.6	6.4	6.9	8.5	8.0	6.5	7.6	9.5	-100bp
Other Exp. (% of Sales)	20.4	20.6	20.6	20.5	20.1	21.6	26.2	23.1	20.5	23.0	22.0	420bp
EBITDA	**2,142**	**2,375**	**2,202**	**2,069**	**1,973**	**1,928**	**1,990**	**2,321**	**8,788**	**8,212**	**1,954**	**1.8**
EBITDA Margins (%)	20.6	20.1	19.5	18.7	17.1	15.9	12.6	13.4	19.7	14.5	11.5	110bp
Non-Operating Income	37	47	35	53	48	64	86	75	172	273	120	
Interest	424	416	442	464	492	413	583	581	1745	2068	480	
Depreciation	683	668	703	723	725	762	1035	1058	2777	3579	1050	
Minority Int/Share of Profit	62	97	82	79	61	-4	-2	2	320	57	0	
PBT after EO items	**1,011**	**1,241**	**1,010**	**856**	**744**	**821**	**313**	**755**	**4,118**	**2,781**	**544**	**-42.5**
Eff. Tax Rate (%)	26.3	23.8	27.6	27.2	28.5	24.9	58.6	31.4	26.1	30.1	-9.2	
Rep. PAT	**745**	**945**	**731**	**623**	**532**	**617**	**129**	**518**	**3,045**	**1,944**	**594**	**-78.2**
Change (%)	34.0	56.0	41.7	-22.3	-28.6	-34.7	-82.3	-16.9	22.6	-36.2	-18.8	
Adj. PAT	**745**	**945**	**731**	**623**	**532**	**617**	**241**	**518**	**3,045**	**1,944**	**594**	**-59.4**
Change (%)	34.0	56.0	41.7	-22.3	-28.6	-34.7	-67.0	-16.9	22.6	-36.2	-18.8	

E: MOFSL Estimates

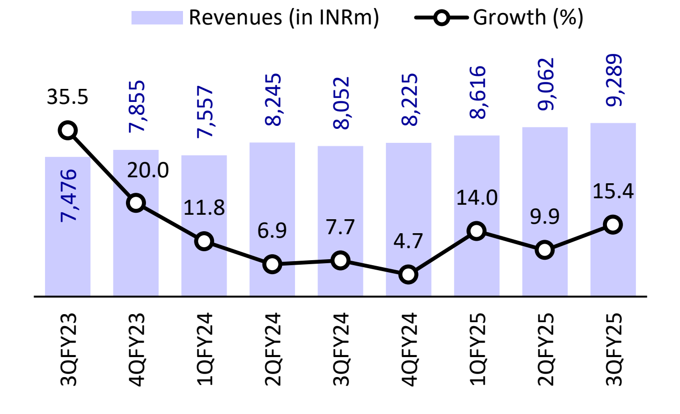
CONFERENCE CALL

Highlights from the management interaction

- **Guidance:** For the first time, management has provided some indicative guidance of what to expect in coming years, based on orders in hand and integration of the new acquisitions
  - They expect to post revenue of around INR70b in FY26. Beyond the 3Q run rate, the new Kothavadi plant is expected to contribute INR1-1.5b, while the new Hosur plant is likely to contribute INR1.5bn of revenues in FY26.
  - They expect consolidated EBITDA to improve by 29% YoY to INR11b and deliver 40% growth in EBIT to INR7b.
  - Capex guidance for FY25 stands at INR8.5b (invested INR7b in 9M). Capex is likely to reduce by 50% in FY26E.
  - Consolidated debt stands at INR18b, with D/E of 2.24x. They expect to sell the Gurgaon land in 1QFY26 for around INR3b and use these proceeds to reduce debt. Post this, D/E would come down to a comfortable level of 1.4x.
- **Sunbeam:** Now a wholly owned subsidiary since Oct'24, posted a turnover of INR2.84b with EBIT of INR100m.
  - The Gurgaon plant relocation has begun and is expected to be completed by 1QFY26, after which the land sale will be considered.
  - About 50% of employees opted for VRS and were relieved in Nov'24, with the remaining to be settled by April-May. Post the relocation of Gurgaon plant and the VRS, employee costs are expected to reduce by 30% with further reductions expected going forward as they focus on automation.
  - The order book remains comfortable, and the company expects a reasonable turnover and positive EBITDA in 4Q.
  - Sunbeam is expected to turn EBIT neutral by 2QFY26 and will be EBIT positive for the full FY26.
- **Craftsman Germany reported consolidated revenue of INR560m** with positive EBITDA and expects to maintain this in 4Q. Its order book for CY25 is fully booked.
  - Fronberg is expected to see modest growth of 5-10%, with strategic benefits from cross-collaboration between Craftsman and Fronberg teams.

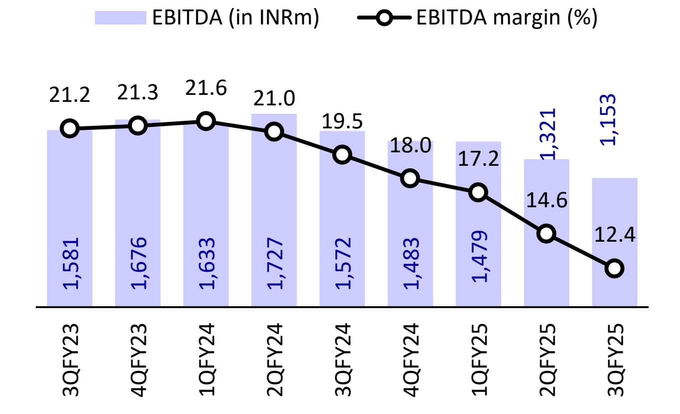
- **Bhiwadi:** This plant has been operational in a record time of eight months. It is operating at 20-25% utilization and expected to ramp up to full speed by July.
  - This plant posted EBIT loss of INR200m due to start-up costs. It is expected to become EBIT neutral in 1QFY26, and by the end of FY26, it will be EBIT positive with high single-digit margins.
- **Hosur:** The new greenfield alloy wheel plant at Hosur is planned to complement the Bhiwadi plant, catering to customers in the South. Both Bhiwadi and Hosur plants are fully booked with orders for CY25.
  - The Hosur plant will be operational by 2QFY26 and will reach full capacity by 4Q.
  - The revenue potential for the Hosur and Bhiwadi alloy wheel plants is expected to be around INR4b each and the plants are likely to reach the peak by FY27.
- **Kothavadi-** It is developing powertrain components for stationary engine applications, a market that is seeing significant demand by AI-led data center growth. It has secured engagements with five of the top 10 global players in the segment, with trials underway at Unit 3.
  - Several samples have been supplied to customers, and production is expected to begin in 4QFY25 upon approval.
  - Given the long gestation for these projects, the major ramp-up of this plant is likely to be in FY27.
  - However, some engineering parts will be produced at the Kothavadi plant, generating approximately INR1.50b in revenue for the next FY.
  - For the stationary engines and machining capacity (including the Arasur plant), the expected revenue in FY28-29 is around INR8.5b.
- **Aluminium:**
  - The aluminum business is set to reach INR40b in revenue next year, including the alloy wheel capacity ramp-up.
  - They are now reaching a size where global players are showing interest to consider them for global opportunities.
- **Industrials:**
  - The order book for automated storage is full for the next year, positioning the company to benefit from increased profitability in this area.
  - 3Q automated storage revenue was INR1.42b, with a projected full-year revenue of INR5b. Craftsman ranks among the top two Indian players in this segment.
- **Exposure to ICE and evolution of product portfolio:**
  - Around 90% of the powertrain products are related to ICE, with a small portion being fuel-agnostic (e.g., transmission parts). The focus on powertrain remains on commercial vehicles, construction equipment, and the farm segment, with a growing emphasis on stationary engines. Further, with many MNCs setting up large capacities for stationary engine applications in India, India is emerging as a production hub for the same. Hence, management expects minimal EV risk in the powertrain segment going forward.
  - In the aluminum business, the company has de-risked its portfolio by diversifying into passenger vehicles and alloy wheels. The casting processes are flexible and can cater to both ICE and EV applications. The aluminum content is expected to increase in both ICE and EVs given OEM increasing their focus on light-weighting.

Exhibit 1: SA revenue and revenue growth (%)



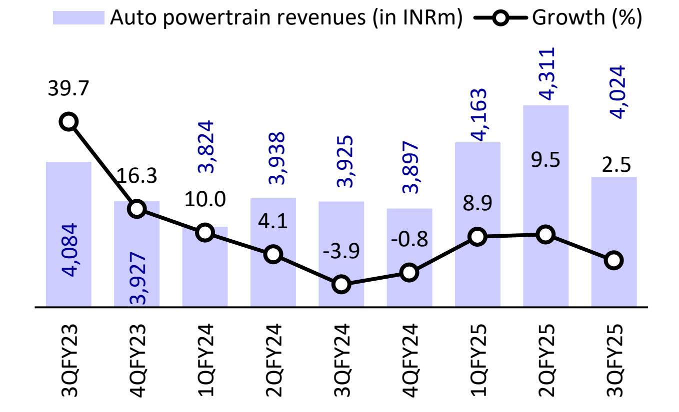
Source: Company, MOFSL

Exhibit 2: SA EBITDA and EBITDA margin (%)



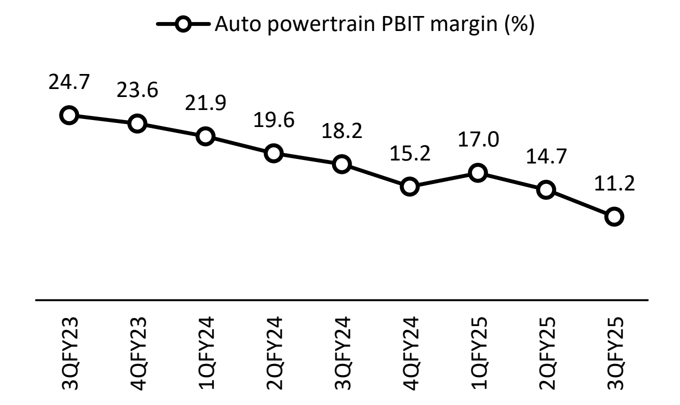
Source: Company, MOFSL

Exhibit 3: Auto powertrain's revenue and growth (%)



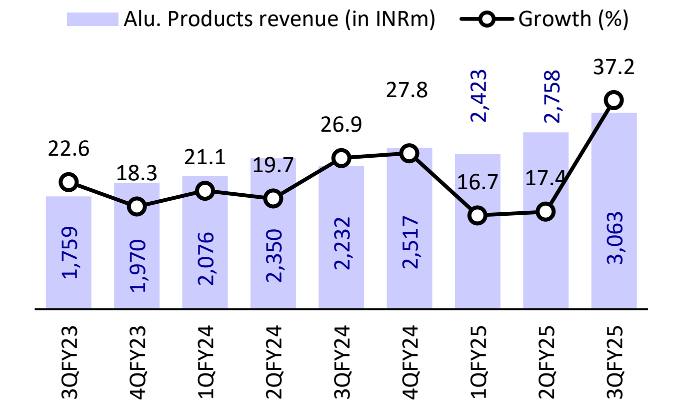
Source: Company, MOFSL

Exhibit 4: Auto powertrain's PBIT margin (%)



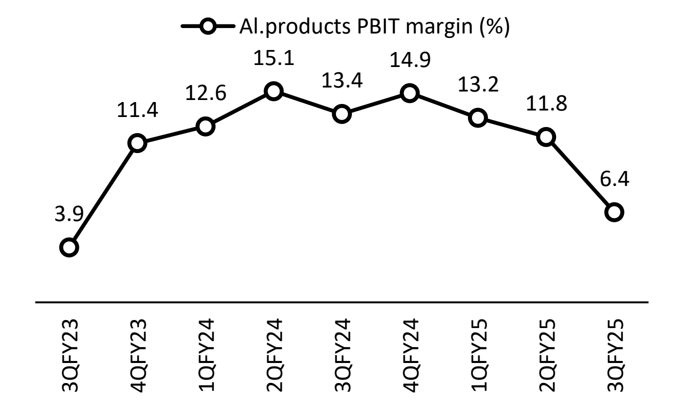
Source: Company, MOFSL

Exhibit 5: Aluminum products' revenue and growth (%)



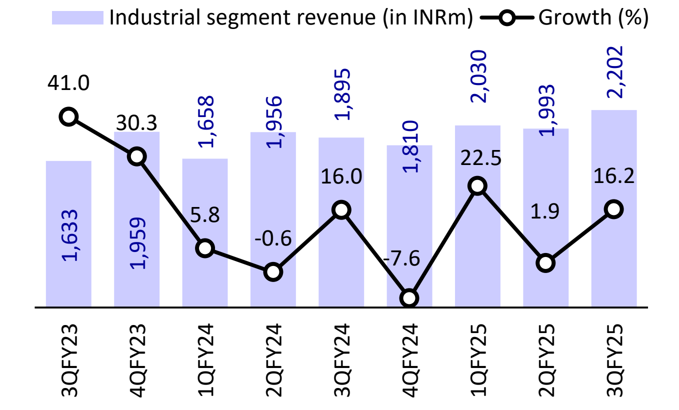
Source: Company, MOFSL

Exhibit 6: Aluminum products' PBIT margin (%)



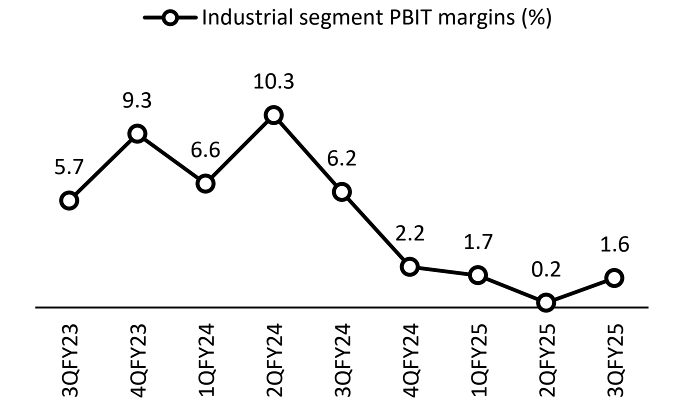
Source: Company, MOFSL

Exhibit 7: Industrial segment's revenue and growth (%)



Source: Company, MOFSL

Exhibit 8: Industrial segment's PBIT margin (%)



Source: Company, MOFSL

Valuation and view

- **Engineering DNA drives new opportunities:** CRAFTSMAN has leveraged its engineering DNA to evolve into the largest independent machining player among the top three players in storage solutions, and a credible competitor in the aluminum die-casting business (within six years of starting the business). With the government's increasing focus on import substitution and emerging opportunities from global supply chain realignments, the company will be one of the key beneficiaries of these opportunities due to its strong capabilities in product design, process, and captive sourcing of fixtures and machines.
- **Demand moderation across key segments remains a concern:** The company has a well-diversified business model with balanced exposure between the auto and non-auto sectors, ensuring that no single end-user industry accounts for more than 35% of revenue. However, we are witnessing a slowdown across most automotive segments, particularly in commercial vehicles (CVs), which contribute approximately 30% of revenue and offer superior gross margins. Additionally, the passenger vehicle (PV) division, accounting for 30-35% of revenue, is also experiencing moderation. We believe this trend will constrain earnings growth, particularly for the standalone business. Overall, we expect the standalone business to witness 8% earnings CAGR over FY24-27E, largely back-ended.
- **New Acquisitions Expected to Pressure Near-Term Financials**: The company is undergoing several developments, including two recent acquisitions: 1) Frongberg Guss GmbH, a high-tech foundry specializing in industrial engine blocks, which is modest in size and has remained EBIT positive even during the COVID-19; and 2) Sunbeam, which has a complementary aluminum castings business. Apart from this, they are also setting up two greenfield plants in India. This, at a time when its core segments, both tractors and CVs, are seeing a slowdown in India. This has also led to its debt rising to INR19b. Thus, any delay in any of its project timelines or delay in restructuring at Sunbeam may lead to downside risks to our estimates.
- **Key Assumptions**: 1) We expect the standalone entity to deliver 14% revenue CAGR over FY24-27E, as it ramps up the two new greenfield plants; expect margins to improve to 17% by FY27E from estimated 14.4% for FY25E 2) For

Sunbeam, we expect margins to improve to 8% in FY26E. Overall, consolidated margins are estimated to improve to 15.8% for FY27E from 14.5% for FY25E.

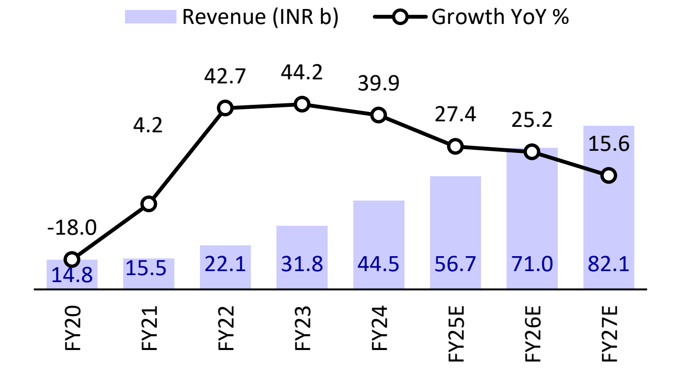
- **Maintain Neutral**: On the back of the significant start-up costs seen in 3Q, which are likely to prevail in some segments for a while given the long gestation for execution, we have sharply lowered our FY25/26 earnings by 32%/20%. Management is currently in the midst of integrating multiple projects simultaneously: 1) integration and restructuring of Sunbeam, 2) ramp-up of new plants in Bhiwadi, Kothavadi and Hosur, and 3) integration of Fornburg. This is happening at a time when its core segment CVs and PVs are seeing a weak demand trend. While these strategic initiatives appear to be in the right direction for the long run, they are likely to hurt returns for at least the next 12-15 months, by which time we hope to expect: 1) a turnaround at Sunbeam, and 2) stabilization of the greenfields. If any of these timelines are not met, it will lead to further downside risk to our earnings. **Given the absence of any near-term earnings trigger and the execution risk of multiple projects, we maintain Neutral with a revised TP of INR4,275 (valued at 21x Dec'26E EPS).**

Exhibit 9: Our revised forecasts

(INR b)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	56.7	59.4	-4.5	71.0	75.3	-5.7
EBITDA Margin (%)	**14.5**	**14.2**	**20bp**	**15.3**	**14.1**	**120bp**
PAT	1.9	2.9	-32.1	3.7	4.6	-20.4
EPS (INR)	**81.5**	**120.1**	**-32.1**	**153.8**	**193.3**	**-20.4**

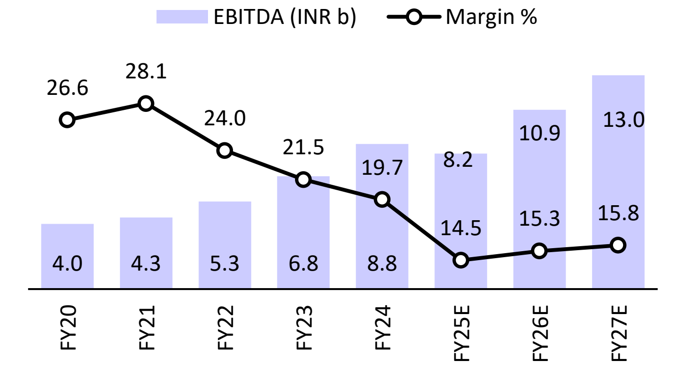
Key operating indicators

Exhibit 10: Con. revenue to post ~23% CAGR over FY24-27E



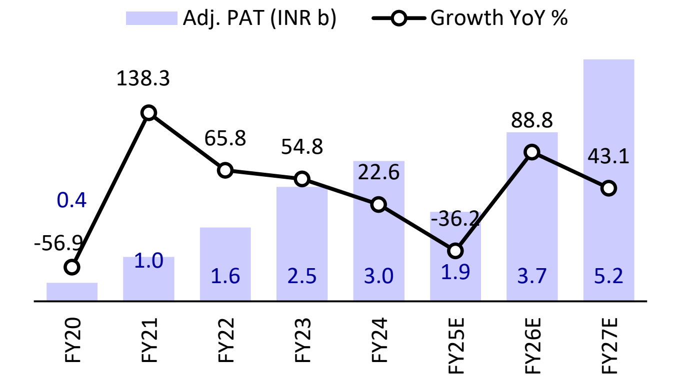
Source: Company, MOFSL

Exhibit 11: Cons EBITDA to see ~14% CAGR over FY24-27E



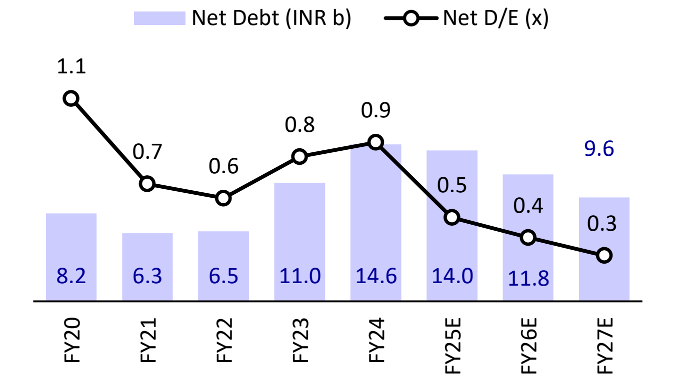
Source: Company, MOFSL

Exhibit 12: PAT to post 20% CAGR over FY24-27E



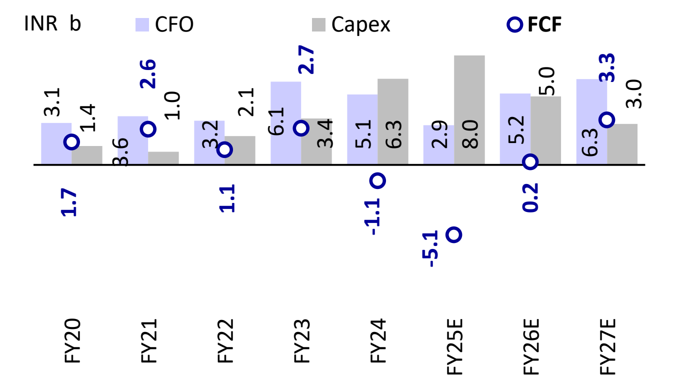
Source: Company, MOFSL

Exhibit 13: Debt likely to decline



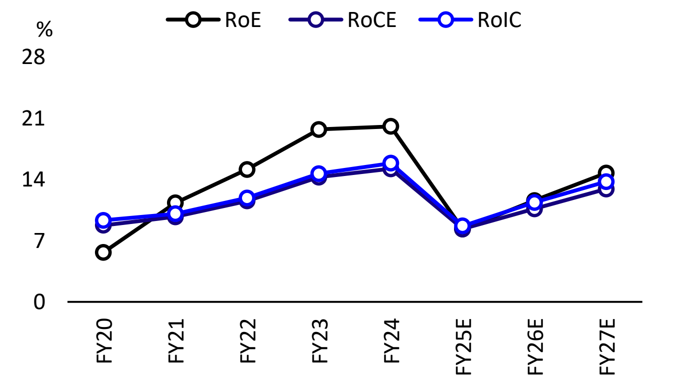
Source: Company, MOFSL

Exhibit 14: CFO to grow over FY24-26E...



Source: Company, MOFSL

Exhibit 15: ...that should lead to improvement in return ratios



Source: Company, MOFSL

Financials and valuations

Income Statement (Consol)								(INR Million)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Net Revenues	**14,834**	**15,463**	**22,064**	**31,826**	**44,517**	**56,696**	**70,969**	**82,074**
Change (%)	-18.0	4.2	42.7	44.2	39.9	27.4	25.2	15.6
EBITDA	**3,951**	**4,340**	**5,293**	**6,836**	**8,788**	**8,212**	**10,857**	**12,958**
EBITDA Margin (%)	26.6	28.1	24.0	21.5	19.7	14.5	15.3	15.8
Change (%)	-4.7	9.9	22.0	29.2	28.6	-6.6	32.2	19.3
Depreciation	1,963	1,924	2,060	2,216	2,777	3,579	4,341	4,773
EBIT	**1,988**	**2,416**	**3,233**	**4,620**	**6,011**	**4,633**	**6,517**	**8,184**
EBIT Margins (%)	13.4	15.6	14.7	14.5	13.5	8.2	9.2	10.0
Interest cost	1,486	1,073	842	1,202	1,745	2,068	1,975	1,627
Other Income	92	132	93	125	172	273	224	260
Non-recurring Expense	58	0	0	0	0	0	0	0
PBT	**536**	**1,476**	**2,484**	**3,543**	**4,438**	**2,838**	**4,765**	**6,817**
Eff.Tax Rate (%)	31.6	34.4	35.4	29.3	24.2	29.5	23.0	23.0
PAT	**367**	**968**	**1,605**	**2,505**	**3,365**	**2,001**	**3,669**	**5,249**
Minority Interest	-	-	-	20.9	320.1	57.2	0.0	0.0
Adj. PAT	**406**	**968**	**1,605**	**2,484**	**3,045**	**1,944**	**3,669**	**5,249**
Change (%)	-56.9	138.3	65.8	54.8	22.6	-36.2	88.8	43.1

Balance Sheet (Consol)								(INR Million)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Sources of Funds								
Share Capital	101	106	106	106	106	119	119	119
Reserves	7,216	9,679	11,316	13,663	16,474	29,975	33,119	37,844
Net Worth	**7,317**	**9,785**	**11,422**	**13,769**	**16,580**	**30,094**	**33,238**	**37,963**
Minority interest	0	0	0	610	937	0	0	0
Deferred Tax	398	691	1,168	1,411	1,315	1,315	1,315	1,315
Loans	9,126	7,035	7,156	11,527	15,464	17,275	14,225	12,675
Capital Employed	**16,840**	**17,511**	**19,746**	**27,317**	**34,296**	**48,684**	**48,778**	**51,953**
Application of Funds								
Gross Fixed Assets	22,072	23,360	25,464	31,256	37,990	57,151	62,365	66,594
Less: Depreciation	6,615	8,255	10,026	11,917	14,223	21,847	25,473	29,340
Net Fixed Assets	**15,457**	**15,105**	**15,438**	**19,339**	**23,767**	**35,304**	**36,892**	**37,254**
Capital WIP	888	320	420	966	1,786	1,786	1,786	1,786
Investments	256	282	282	34	45	1,830	1,830	1,830
Goodwill				1,900	1,900	1,900	1,900	1,900
Curr.Assets, L & Adv.	**6,599**	**7,909**	**10,700**	**15,828**	**19,560**	**24,369**	**24,848**	**29,683**
Inventory	3,142	3,976	6,206	8,360	10,408	13,095	13,932	16,403
Sundry Debtors	1,937	2,355	2,942	5,353	5,766	8,151	8,517	10,059
Cash & Bank Balances	711	417	367	473	830	1,426	616	1,196
Loans & Advances	809	1,161	1,185	1,641	2,555	1,697	1,782	2,025
Current Liab. & Prov.	**6,360**	**6,105**	**7,094**	**10,750**	**12,762**	**16,505**	**18,478**	**20,500**
Sundry Creditors	2,833	3,523	4,654	7,116	8,006	12,983	14,650	16,081
Other Liabilities	3,501	2,544	2,393	3,566	4,643	3,390	3,686	4,259
Provisions	26	38	47	68	112	132	141	160
Net Current Assets	**239**	**1,804**	**3,606**	**5,078**	**6,798**	**7,864**	**6,370**	**9,183**
Application of Funds	**16,840**	**17,511**	**19,746**	**27,317**	**34,296**	**48,684**	**48,778**	**51,953**

E: MOSL Estimates

Financials and valuations

Ratios								
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Basic (INR)								
EPS	**20.2**	**45.8**	**76.0**	**117.6**	**144.2**	**81.5**	**153.8**	**220.1**
EPS Growth (%)	-56.9	127.0	65.8	54.8	22.6	-43.5	88.8	43.1
Cash EPS	115.8	136.9	173.5	223.5	290.8	234.0	335.9	420.3
Book Value per Share	363.7	463.3	540.8	651.9	785.0	1,262.0	1,393.8	1,591.9
DPS	0.0	0.0	3.8	11.3	11.3	18.0	22.0	22.0
Payout (Incl. Div. Tax) %	0.0	0.0	4.9	9.6	7.8	22.1	14.3	10.0
FCF per share	83.0	123.1	53.1	126.9	-54.3	-213.6	9.2	137.3
Valuation (x)								
P/E	201.8	88.9	53.6	34.6	28.3	50.0	26.5	18.5
Cash P/E	35.2	29.7	23.5	18.2	14.0	17.4	12.1	9.7
EV/EBITDA	22.8	21.3	17.5	14.2	11.4	13.5	10.0	8.2
EV/Sales	6.1	6.0	4.2	3.0	2.3	2.0	1.5	1.3
Price to Book Value	11.2	8.8	7.5	6.2	5.2	3.2	2.9	2.6
Dividend Yield (%)	0.0	0.0	0.1	0.3	0.3	0.4	0.5	0.5
Profitability Ratios (%)								
RoE	5.7	11.3	15.1	19.7	20.1	8.3	11.6	14.7
RoCE (post tax)	8.8	9.7	11.5	14.3	15.2	8.3	10.7	12.9
RoIC	9.3	10.1	11.9	14.7	15.9	8.7	11.4	13.7
Turnover Ratios								
Debtors (Days)	48	56	49	61	47	52	44	45
Inventory (Days)	77	94	103	96	85	84	72	73
Creditors (Days)	70	83	77	82	66	84	75	72
Working Capital (Days)	6	43	60	58	56	51	33	41
Asset Turnover (x)	0.9	0.9	1.1	1.2	1.3	1.2	1.5	1.6
Fixed Asset Turnover	0.7	0.7	0.9	1.1	1.3	1.2	1.2	1.3
Leverage Ratio								
Net Debt/Equity (x)	1.1	0.6	0.6	0.8	0.9	0.5	0.4	0.3

E: MOSt Estimates

Cash Flow Statement								(INR m)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Profit before Tax	536	1,476	2,484	3,548	4,447	1,146	1,968	3,386
Depreciation & Amort.	1,962	1,924	2,060	2,216	2,777	3,579	4,341	4,773
Direct Taxes Paid	-215	-226	-368	-726	-1,475	-321	-502	-863
(Inc)/Dec in Working Capital	-433	-352	-1,519	105	-1,924	-103	-532	-1,038
Interest/Div. Received	-27	-52	-39	-73	0	-400	-161	-191
Other Items	1,238	792	606	1,007	1,308	-994	106	207
CF after EO Items	**3,061**	**3,561**	**3,224**	**6,077**	**5,133**	**2,907**	**5,220**	**6,274**
(Inc)/Dec in FA+CWIP	-1,390	-961	-2,103	-3,396	-6,281	-8,000	-5,000	-3,000
Free Cash Flow	**1,671**	**2,600**	**1,121**	**2,681**	**-1,148**	**-5,093**	**220**	**3,274**
Interest/dividend received	13	12	14	65	23	400	161	191
(Pur)/Sale of Invest.	1	27	28	2	-2	0	0	0
Others				-3,746	6	0	0	0
CF from Inv. Activity	**-1,376**	**-922**	**-2,061**	**-7,075**	**-6,254**	**-7,600**	**-4,839**	**-2,809**
Issue of Shares	0	1,456	-19	0	0	12,000	0	0
Inc/(Dec) in Debt	-771	-2,387	10	2,042	3,938	2,000	-3,000	-1,500
Interest Paid	-1,377	-1,093	-769	-1,027	-1,718	-1,894	-1,816	-1,474
Dividends Paid	-61	0	0	-79	-238	-238	-429	-525
Others	929	-936	-423	-205	-500	0	0	0
CF from Fin. Activity	**-1,280**	**-2,960**	**-1,200**	**730**	**1,482**	**11,869**	**-5,246**	**-3,498**
Inc/(Dec) in Cash	**405**	**-322**	**-37**	**-268**	**362**	**7,176**	**-4,865**	**-33**
Add: Beginning Balance	181	585	263	541	273	635	7,811	2,946
Closing Balance	**585**	**263**	**227**	**273**	**635**	**7,811**	**2,946**	**2,913**

E: MOFSL Estimates

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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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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