

# Escorts Kubota

Estimate changes

TP change

Rating change



Bloomberg	ESCORTS IN
Equity Shares (m)	110
M.Cap.(INRb)/(USD\$b)	380.7 / 4.6
52-Week Range (INR)	3570 / 2027
1, 6, 12 Rel. Per (%)	17/-2/45
12M Avg Val (INR M)	1033

## Financials & Valuations (INR b)

INR b	2024	2025E	2026E
Sales	88.5	96.9	112.1
EBITDA	11.7	13.1	15.4
EBITDA Margin (%)	11.3	11.7	12.0
Adj. PAT	10.5	12.5	14.8
EPS (INR)	94.9	101.6	120.9
EPS Gr. (%)	85.0	7.0	19.0
BV/Sh. (INR)	830	832	931

## Ratios

RoE (%)	12.1	12.9	13.7
RoCE (%)	16.1	17.1	18.2
Payout (%)	19.0	18.7	18.2

## Valuations

P/E (x)	36.3	33.9	28.5
P/BV (x)	4.1	4.1	3.7
EV/EBITDA (x)	35.2	30.5	25.4
Div. Yield (%)	0.5	0.6	0.6
FCF yield (%)	2.2	3.2	2.6

## Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	67.7	67.7	72.9
DII	9.8	10.6	8.1
FII	7.7	6.9	6.3
Others	14.9	14.9	12.7

FII Includes depository receipts

**CMP: INR3,445**

**TP: INR3,145 (-9%)**

**Neutral**

## Performance in line; near-term outlook remains weak

### Tractor industry to witness low-to-mid-single-digit growth in FY25

- Escorts Kubota (Escorts)'s 4QFY24 result was broadly in line. Standalone EBITDA margin came in at 12.8% (down 70bp QoQ). The near-term business outlook appears weak, especially for the agri segment, due to the ongoing election, lower groundwater level, and weak Rabi output.
- We raise our EPS by ~7%/12% for FY25E/26E due to a healthy improvement in margins for the construction equipment and railway divisions coupled with component exports to Kubota, which is likely to commence from FY26. However, we believe the current valuations of ~33.9x/28.5x FY25E/26E EPS already reflect the synergy benefits arising due to the partnership with Kubota. **Reiterate Neutral with a TP of INR3,145, based on ~26x Mar'26E EPS (vs. 25x earlier).**

### EBIT margins for agri and railway segments contract sequentially

- Escorts's 4QFY24 standalone revenue/EBITDA/Adj. PAT was down 5%/up 13%/up 31% YoY to INR20.8b/INR2.7b/INR2.4b (vs. est. INR21.4b/INR2.8b/INR2.5b). Consolidated FY24 revenue/EBITDA/PAT grew ~5%/50%/55% YoY to INR88.5b/INR11.7b/INR10.5b.
- Revenue decline was led by weakness in the agri machinery segment, which dipped 11% YoY, and a 10% YoY drop in revenue of the railway equipment segment. Revenue from construction equipment grew ~24% YoY.
- Gross margin improved ~340bp YoY/130bp QoQ to 31.9% (est. 31%), led by mix and price hikes. EBITDA margin expanded ~200bp YoY to 12.8% (-70bp QoQ; in line).
- EBIT margins for Agri/Railway/Construction segments expanded 130bp/290bp/260bp YoY to 11.2%/16.9%/10.7%.
- Operating cash flows for the year surged 4.6x YoY, while FCF grew to INR8.6b (vs. INR0.3b in FY23).
- The Board recommended a final dividend of INR18 per share for FY24 (vs. INR7 per share in FY23).

### Highlights from the management commentary

- Tractor Domestic demand outlook:** Management expects low-to-mid-single-digit YoY volume growth for FY25. Demand is likely to remain weak in 1QFY25 led by lower groundwater level, weak Rabi output, and the impact of the ongoing election. However, demand is expected to recover from Aug'24, as the monsoon outlook remains positive.
- Capex of INR3b envisaged for FY25 (vs. INR1.75b in FY24)** towards product development, building infrastructure, and other segments such as railways and construction equipment. Additionally, management hinted at a capex of INR4b for the greenfield project in Rajasthan; however, it is still under negotiation.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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- **Construction Equipment:** EBIT margin has improved significantly due to better mix, lower commodity costs, and price hikes. An EBIT margin of ~9.3% is sustainable and can be achieved in the coming years. The next few months are expected to be weak due to election, and a slight slowdown during monsoon. Demand is likely to rebound post-monsoon.
- **Railways:** The order book stood at INR9.5b vs. INR9.0b in 3QFY24. Railway's EBIT margin in FY25 will be in the range of +/- 100bp over FY24 margins.

### Valuation and view

- We expect a ~5% volume CAGR for tractors over FY24-26. However, the impact of ongoing elections, low reservoir levels, mainly in the western and southern parts of the country, would keep tractor volumes in check in the near term. A faster recovery in other businesses and a ramp-up in its partnership with Kubota would partially offset the cyclical impact of the tractor industry.
- The stock trades at ~33.9x/28.5x consolidated FY25E/26E EPS, representing a premium to its 10-year average of ~17.3x, driven by an improvement in operating parameters as well as the Kubota partnership. Moreover, the valuation also reflects possible opportunities arising from Kubota's parentage (i.e., agri implements, exports, component supplies, etc.) as most of these opportunities will become relevant only beyond FY25. **Reiterate Neutral with a TP of INR3,145, based on ~26x Mar'26E EPS (vs. 25x earlier).**

### Standalone Quarterly Performance

Y/E March	FY23				FY24				FY23	FY24	4QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
<b>Net Sales</b>	<b>20,149</b>	<b>18,835</b>	<b>22,637</b>	<b>21,830</b>	<b>23,277</b>	<b>20,462</b>	<b>23,204</b>	<b>20,825</b>	<b>83,450</b>	<b>88,496</b>	<b>21,363</b>
YoY Change (%)	20.5	12.2	15.6	16.8	15.5	8.6	2.5	-4.6	16.0	6.0	(2.1)
Total Expenditure	18,133	17,308	20,733	19,471	20,008	17,829	20,077	18,166	75,645	76,829	18,603
<b>EBITDA</b>	<b>2,016</b>	<b>1,527</b>	<b>1,903</b>	<b>2,358</b>	<b>3,269</b>	<b>2,633</b>	<b>3,127</b>	<b>2,659</b>	<b>7,804</b>	<b>11,667</b>	<b>2,760</b>
Margins (%)	10.0	8.1	8.4	10.8	14.0	12.9	13.5	12.8	9.4	13.2	12.9
Depreciation	364	365	376	380	402	407	415	441	1,484	1,669	424
Interest	26	23	26	28	27	24	24	35	103	137	26
Other Income	354	776	913	763	945	950	1,035	1,053	2,806	3,986	1,058
<b>PBT</b>	<b>1,981</b>	<b>1,187</b>	<b>2,414</b>	<b>2,470</b>	<b>3,786</b>	<b>3,152</b>	<b>3,723</b>	<b>3,237</b>	<b>8,051</b>	<b>13,847</b>	<b>3,368</b>
Rate (%)	25.6	26.1	22.8	24.9	25.3	25.4	25.5	25.2	24.6	25.4	24.9
<b>Adj. PAT</b>	<b>1,475</b>	<b>1,425</b>	<b>1,864</b>	<b>2,039</b>	<b>2,828</b>	<b>2,350</b>	<b>2,773</b>	<b>2,421</b>	<b>6,802</b>	<b>10,327</b>	<b>2,528</b>
YoY Change (%)	-20.4	-19.4	-7.5	0.8	91.8	64.9	48.7	18.7	-11.2	51.8	24.0
Margins (%)	7.3	7.6	8.2	9.3	12.1	11.5	11.9	11.6	8.2	11.7	11.8

### Key Performance Indicators

	FY23				FY24				FY23	FY24	4QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Volumes ('000 units)	26,797	23,703	28,025	24,765	26,582	22,024	25,999	21,253	1,03,290	95,858	21,253
Change (%)	3.3	12.5	10.7	13.1	-0.8	-7.1	-7.2	-14.2	9.6	-7.2	-14.2
Net Realn (INR '000/unit)	595.5	613.8	609.5	628.9	627.1	633.1	637.8	654.3	611.5	637.4	651.0
Change (%)	9.4	2.9	2.5	0.5	5.3	3.1	4.7	4.0	3.6	4.2	3.5
<b>Cost Break-up</b>											
RM Cost (% of sales)	72.2	72.4	74.5	71.5	69.8	67.7	69.4	68.1	72.7	68.8	69.0
Staff Cost (% of sales)	6.8	7.9	6.7	7.2	6.4	8.2	7.0	7.6	7.1	7.3	7.1
Other Cost (% of sales)	11.0	11.6	10.3	10.5	9.8	11.3	10.1	11.6	10.8	10.7	11.0
Gross Margins (%)	27.8	27.6	25.5	28.5	30.2	32.3	30.6	31.9	31.4	31.2	31.0
EBITDA Margins (%)	10.0	8.1	8.4	10.8	14.0	12.9	13.5	12.8	9.4	13.2	12.9
EBIT Margins (%)	8.2	6.2	6.7	9.1	12.3	10.9	11.7	10.7	7.6	11.3	10.9
<b>Segmental PBIT Margin (%)</b>											
Agri Machinery	10.6	8.4	8.3	9.9	13.4	12.2	13.8	11.2	9.3	12.7	0.0
Railway Equipment	13.6	14.6	13.1	14.0	20.9	18.5	18.4	16.9	13.8	18.9	0.0
Construction Equipment	1.0	-2.6	2.2	8.1	7.6	10.2	8.3	10.7	2.9	9.3	0.0

E: MOFSL Estimates



## Highlights from the management commentary

### Agri machinery update:

- **Tractor Domestic demand outlook-** Management expects low-to-mid-single-digit YoY volume growth for FY25. Demand is likely to remain weak in 1QFY25 led by lower groundwater level, weak Rabi output, and the impact of the ongoing election. However, demand is expected to recover from Aug'24, as the monsoon outlook remains positive.
  - Channel inventory is well under control between 37 and 39 days and is probably lower than the industry level.
  - Retail financing is normal and the company is not seeing any challenge on the retail finance side. There was some tightness post December, as financiers were little bit watchful.
- **Geography wise commentary:** Tractor demand in the southern and western parts of the country is under pressure. North and Central are much better off.
  - North has traditionally been a strong pocket but in last couple of years the company has lost market share. Hence, focus is on regaining the market share in the geography.
  - West contributed 20% of the total tractor industry despite muted growth in Maharashtra. Western region would be the second important focus area.
  - South is 15% of the overall tractor industry. Even if the industry grows in the South, it would not make any significant impact on the volumes.
  - Kubota: There was a major volume drop in Maharashtra and Karnataka and these states contribute materially for Kubota. Recovery in these states will directly benefit Kubota.
- **Farm implement-** It is very small part of the portfolio and the major part will come from the JV as they have higher ticket-sized products such as harvester and transplanter. The combined business size will still be INR3-4b. Tractor OEMs still has just 5% market share of the industry and it creates huge opportunity for the OEMs.
- **Exports-** There are products under development which should be completed by 3Q. Expects better growth from exports vis-à-vis domestic. Exports base has gone down by 30% in FY24 and major growth is likely to come from FY26. It has already put the team in place and agreements are getting signed with Kubota.
- **Capex of INR3b envisaged for FY25 (vs. INR1.75b in FY24)** towards product development, building infrastructure, and other segments such as railways and construction equipment. Additionally, management hinted at a capex of INR4b for the greenfield project in Rajasthan; however, it is still under negotiation.
- **Merger of JVs-** Overall FY24 was positive and the last quarter was better in terms of margins for both the JVs. The JV will add INR20b of revenue and would be margin dilutive initially. Target to bring JV margin similar to Escorts Standalone margins.

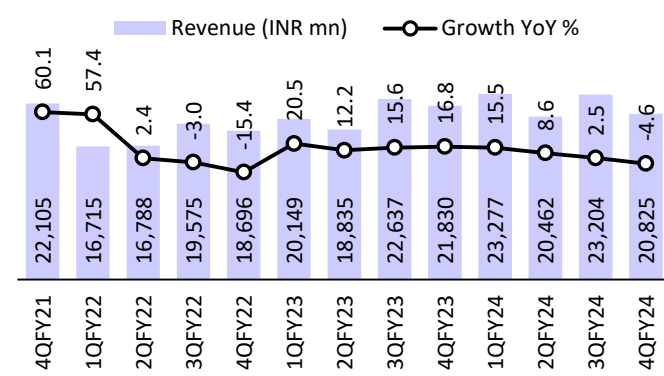
### Update on the Construction Equipment segment

- EBIT margin has improved significantly due to better mix, lower commodity costs, and price hikes. An EBIT margin of ~9.3% is sustainable and can be achieved in the coming years.
- The next few months are expected to be weak due to election and a slight slowdown during monsoon. Demand is likely to rebound post-monsoon. However, growth story in long term is intact led by high government capex and focus on market share growth.
- The impact of price hikes due to initial emission norms changes year and half ago has been passed on to the market and has been absorbed.
- **Impact of Chinese imports-** Escorts has a major share in pick and carry segment where, there is no major impact of Chinese players. The presence of Chinese imports is higher in larger crane category or Earth moving segment.
- P&C- This year the industry grew ~53% YoY and company has 42% market share in the segment. Most of the volumes come from P&C crane which are deployed for larger projects and captive usage and are high margin products.

### Update on the Railway segment

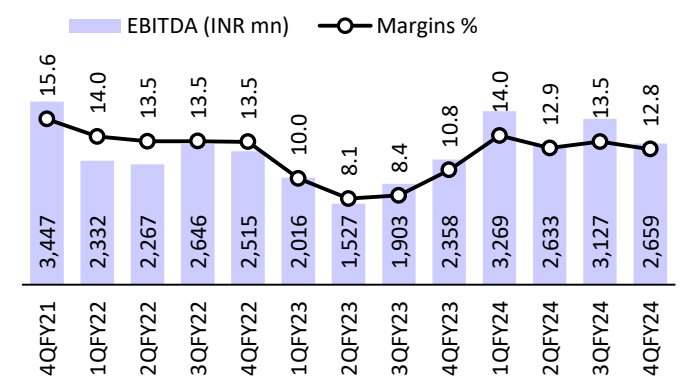
- The order book stood at INR9.5b vs. INR9.0b in 3QFY24. Railway's EBIT margin in FY25 will be in the range of +/- 100bp over FY24 margins.

Exhibit 1: Revenue and revenue growth trends



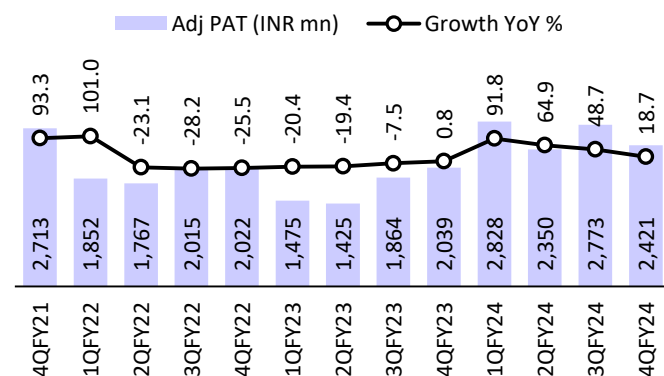
Source: MOFSL, Company

Exhibit 2: EBITDA and EBITDA margin trends



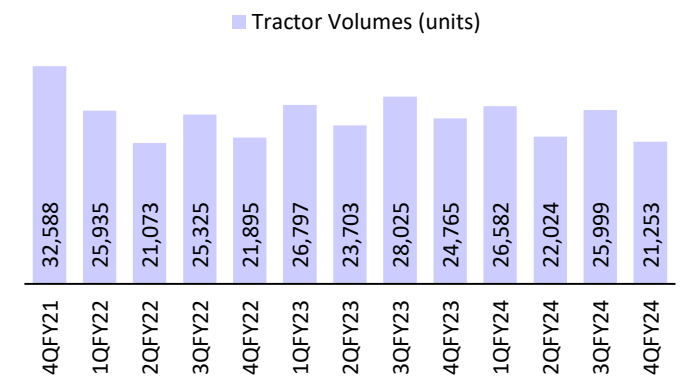
Source: MOFSL, Company

Exhibit 3: Adjusted PAT and growth trend



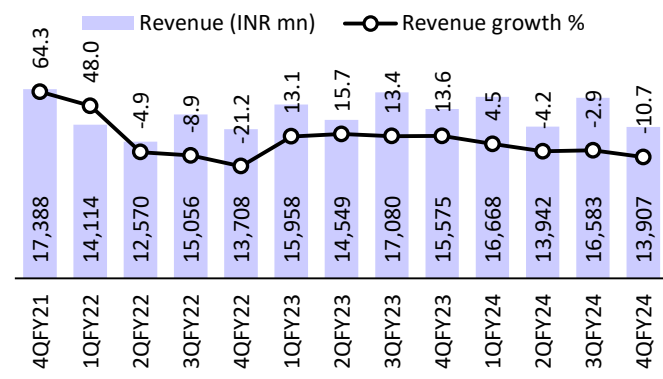
Source: MOFSL, Company

Exhibit 4: Trend in Tractor volumes



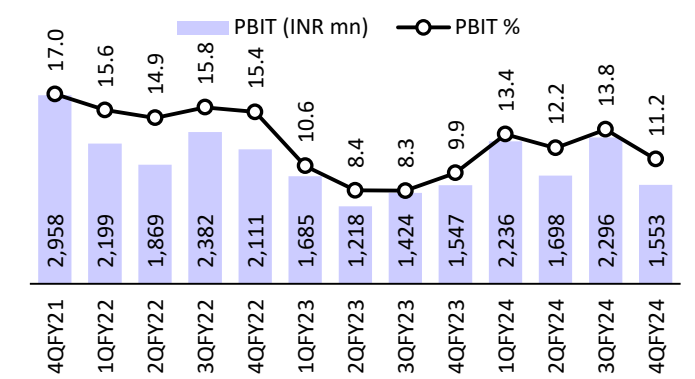
Source: MOFSL, Company

**Exhibit 5: Revenue and growth trends in Tractor segment**



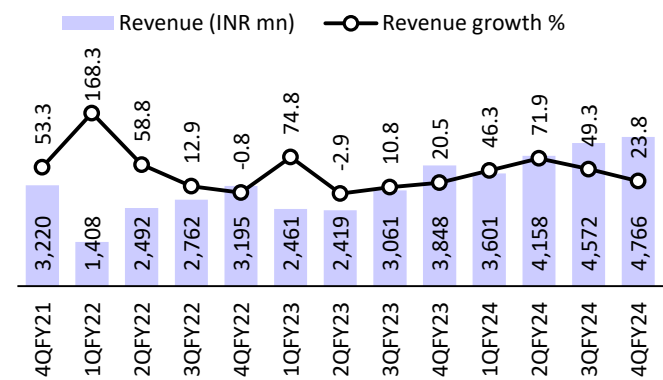
Source: MOFSL, Company

**Exhibit 6: PBIT trend in Tractor segment**



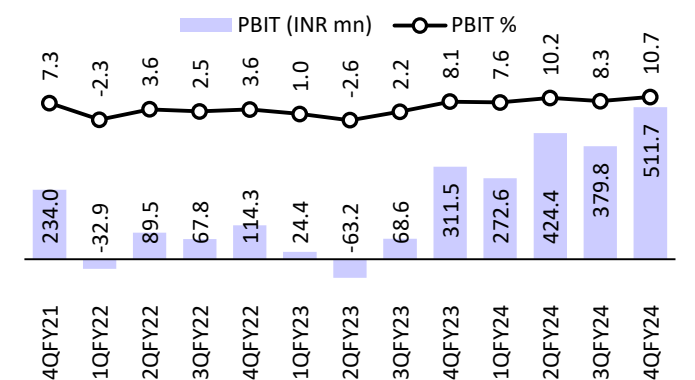
Source: MOFSL, Company

**Exhibit 7: Revenue and growth trends in Construction Equipment**



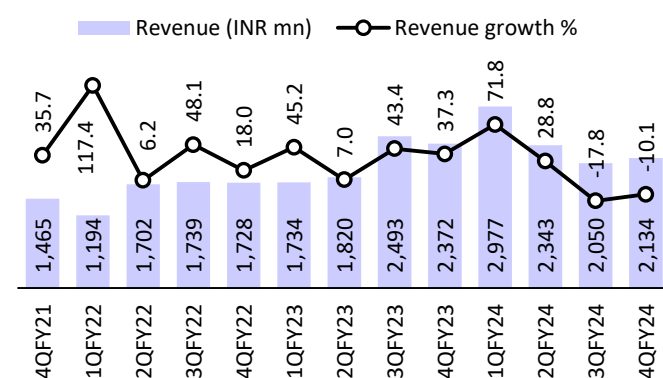
Source: MOFSL, Company

**Exhibit 8: PBIT trend in the Construction Equipment segment**



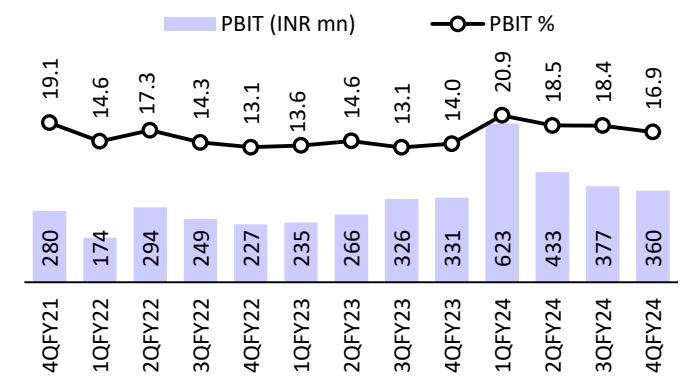
Source: MOFSL, Company

**Exhibit 9: Revenue and growth trends in the Railways segment**



Source: MOFSL, Company

**Exhibit 10: PBIT trend in Railways segment**



Source: MOFSL, Company

**Valuation and view**

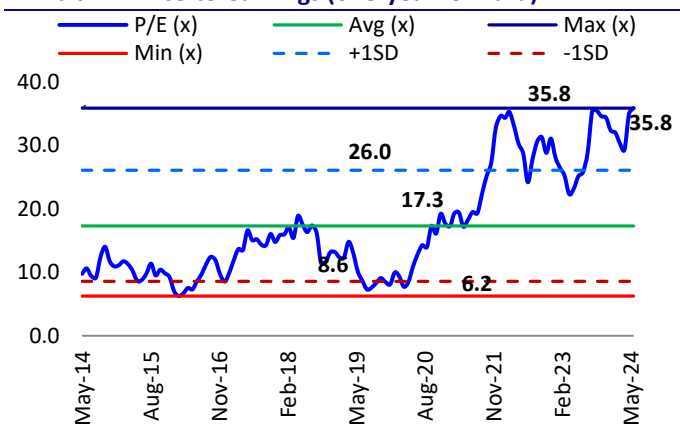
- **Tractor industry to see a low-to-mid-single-digit growth in FY25; near-term demand to remain muted:** The near-term demand outlook continues to remain muted due to erratic monsoons impacting crop output, reservoir levels, and ongoing general election. Hence, the possibility of demand revival is likely to begin in Aug'24, as monsoon estimates so far have indicated positivity. We estimate a 5% CAGR in Escort's tractor volumes over FY24-25, slightly above our growth estimates for the industry given its focus on growing in exports market.

- Kubota parentage can unleash many synergies:** Kubota’s parentage would help Escorts improve its competitive positioning in: a) small tractors (less than 30HP), b) the export markets (through leveraging Kubota’s distribution network), c) the Agri Implements business, d) component sourcing, and e) the Construction Equipment business (Kubota is a global leader in small excavators). Through this partnership, ESCORTS gains access to: a) global product know-how (in Tractors and Implements), b) a global distribution network, and c) a global supply chain (by leveraging its India cost base).
  - Healthy recovery in Railways/Construction Equipment to offset the cyclical impact of tractors:** We expect the Railway business to deliver a ~19% CAGR over FY24-26, benefitting from the ramp-up in new products by FY25 and a strong order book of INR9.5b. Revenue from Construction Equipment is estimated to grow by 15% over FY24-26. The benefits related to the localization and cost savings would elevate its margin profile in both segments.
  - Valuation and view:** We raise our EPS by ~7%/12% for FY25E/26E due to a healthy improvement in margins for the construction equipment and railway divisions coupled with component exports to Kubota, which is likely to commence from FY26. While the tractor volume guidance is weak, a recovery in Railways/Construction Equipment and a strong balance sheet would offset the impact on P&L. The stock trades at ~33.9x/28.5x consolidated FY25E/26E EPS, representing a premium to its 10-year average of ~17.3x, driven by an improvement in operating parameters as well as the Kubota partnership.
- Reiterate Neutral with a TP of INR3,145, based on ~26x Mar’26E EPS (vs. 25x**

**Our revised forecasts (Consolidated)**

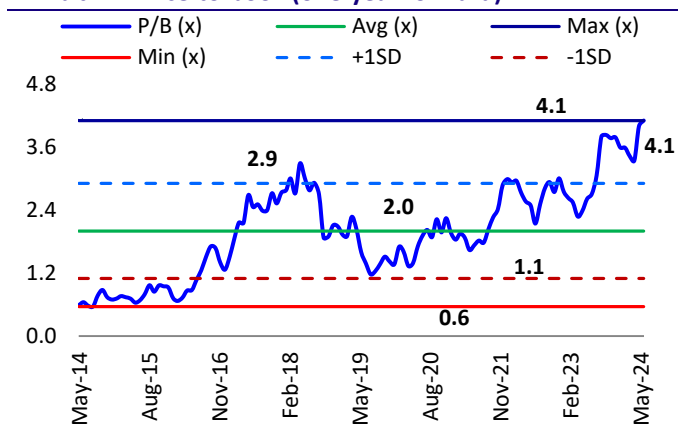
(INR m)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	96,905	96,101	0.8	1,12,090	1,06,071	5.7
EBITDA	13,063	13,166	-0.8	15,356	14,638	4.9
EBITDA (%)	13.5	13.7	-20bp	13.7	13.8	-10bp
Adj. PAT	12,453	11,648	6.9	14,818	13,218	12.1
EPS (INR)	101.6	95.0	6.9	120.9	107.8	12.1

**Exhibit 11: Price-to-earnings (one-year forward)**



Source: MOFSL, Company

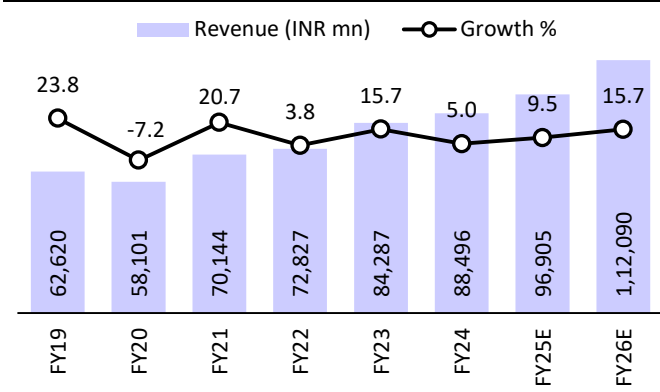
**Exhibit 12: Price-to-book (one-year forward)**



Source: MOFSL, Company

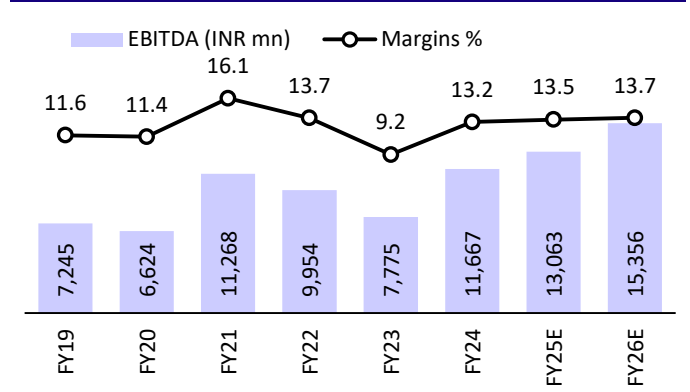
Story in charts

Exhibit 13: Revenue and revenue growth trends



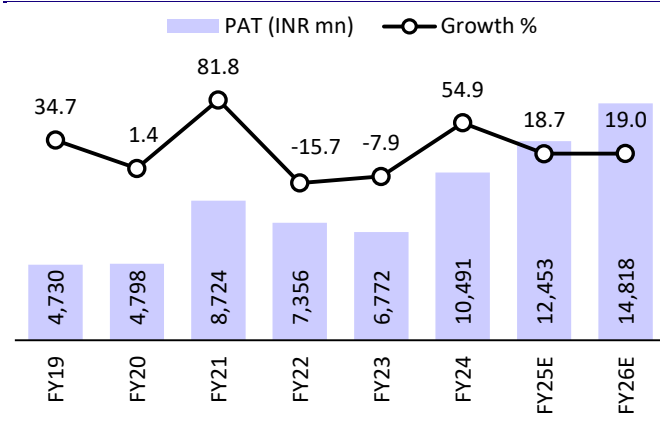
Source: MOFSL, Company

Exhibit 14: EBITDA and EBITDA margin trajectories



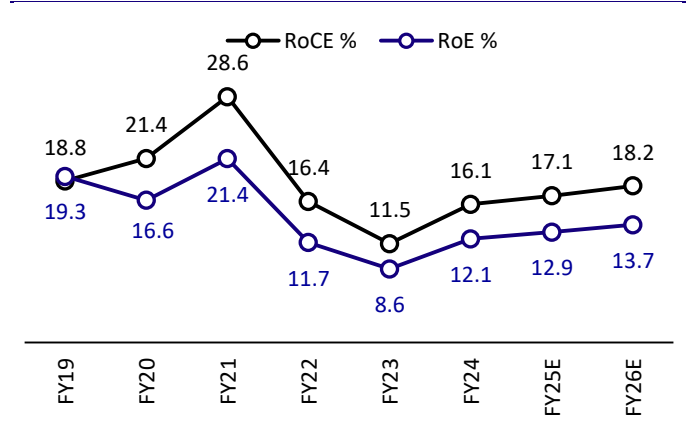
Source: MOFSL, Company

Exhibit 15: PAT and PAT growth trends



Source: MOFSL, Company

Exhibit 16: RoE and RoCE trends



Source: MOFSL, Company

## Financials and valuations

### Consolidated - Income Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	<b>62,620</b>	<b>58,101</b>	<b>70,144</b>	<b>72,827</b>	<b>84,287</b>	<b>88,496</b>	<b>96,905</b>	<b>1,12,090</b>
Change (%)	23.8	-7.2	20.7	3.8	15.7	5.0	9.5	15.7
<b>EBITDA</b>	<b>7,245</b>	<b>6,624</b>	<b>11,268</b>	<b>9,954</b>	<b>7,775</b>	<b>11,667</b>	<b>13,063</b>	<b>15,356</b>
Margin (%)	11.6	11.4	16.1	13.7	9.2	13.2	13.5	13.7
Depreciation	872	1,072	1,183	1,321	1,501	1,669	1,752	1,935
<b>EBIT</b>	<b>6,373</b>	<b>5,552</b>	<b>10,085</b>	<b>8,634</b>	<b>6,275</b>	<b>9,998</b>	<b>11,311</b>	<b>13,422</b>
Int. and Finance Charges	195	172	133	150	133	137	120	120
Other Income	924	976	1,604	1,738	2,809	3,986	5,250	6,300
<b>PBT bef. EO Exp.</b>	<b>7,102</b>	<b>6,356</b>	<b>11,555</b>	<b>10,222</b>	<b>8,951</b>	<b>13,847</b>	<b>16,441</b>	<b>19,602</b>
EO Items	56	-92	0	0	-531	0	0	0
<b>PBT after EO Exp.</b>	<b>7,157</b>	<b>6,263</b>	<b>11,555</b>	<b>10,222</b>	<b>8,421</b>	<b>13,847</b>	<b>16,441</b>	<b>19,602</b>
Current Tax	2,371	1,535	2,832	2,572	1,979	3,519	4,143	4,940
Deferred Tax	0	0	0	0	0	0	0	0
Tax Rate (%)	33.1	24.5	24.5	25.2	23.5	25.4	25.2	25.2
Less: Minority Interest	20	0	0	294	75	-164	-156	-156
<b>Reported PAT</b>	<b>4,767</b>	<b>4,728</b>	<b>8,724</b>	<b>7,356</b>	<b>6,367</b>	<b>10,491</b>	<b>12,453</b>	<b>14,818</b>
<b>Adjusted PAT</b>	<b>4,730</b>	<b>4,798</b>	<b>8,724</b>	<b>7,356</b>	<b>6,772</b>	<b>10,491</b>	<b>12,453</b>	<b>14,818</b>
Change (%)	34.7	1.4	81.8	-15.7	-7.9	54.9	18.7	19.0
Margin (%)	7.6	8.3	12.4	10.1	8.0	11.9	12.9	13.2

### Consolidated - Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	1,226	1,226	1,348	1,319	1,319	1,105	1,226	1,226
Total Reserves	25,509	29,948	48,913	74,680	80,548	90,658	1,00,782	1,12,903
<b>Net Worth</b>	<b>26,735</b>	<b>31,174</b>	<b>50,261</b>	<b>75,999</b>	<b>81,867</b>	<b>91,763</b>	<b>1,02,008</b>	<b>1,14,129</b>
Minority Interest	56	51	-9	-38	-39	-39	-39	-39
Deferred Liabilities	529	307	233	373	646	1,149	1,149	1,149
Total Loans	2,810	192	17	0	0	0	0	0
<b>Capital Employed</b>	<b>30,130</b>	<b>31,724</b>	<b>50,502</b>	<b>76,334</b>	<b>82,475</b>	<b>92,873</b>	<b>1,03,118</b>	<b>1,15,239</b>
Gross Block	26,213	27,834	29,350	30,799	32,003	33,722	37,074	41,892
Less: Accum. Deprn.	9,741	10,608	11,388	12,389	13,890	15,559	17,311	19,245
<b>Net Fixed Assets</b>	<b>16,472</b>	<b>17,227</b>	<b>17,962</b>	<b>18,411</b>	<b>18,114</b>	<b>18,164</b>	<b>19,764</b>	<b>22,647</b>
Capital WIP	800	1,044	647	878	1,137	1,515	1,163	1,345
<b>Total Investments</b>	<b>4,908</b>	<b>7,974</b>	<b>19,380</b>	<b>48,358</b>	<b>48,465</b>	<b>52,746</b>	<b>52,746</b>	<b>52,746</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>24,890</b>	<b>23,895</b>	<b>30,792</b>	<b>23,431</b>	<b>33,137</b>	<b>40,244</b>	<b>49,781</b>	<b>62,023</b>
Inventory	8,574	8,834	7,182	8,466	12,177	12,181	10,912	12,622
Account Receivables	9,311	7,319	6,576	7,926	11,797	11,732	10,620	12,284
Cash and Bank Balance	2,433	3,249	13,218	2,718	4,719	11,790	23,253	31,622
Loans and Advances	4,572	4,494	3,817	4,320	4,445	4,542	4,996	5,495
<b>Curr. Liability &amp; Prov.</b>	<b>16,952</b>	<b>18,430</b>	<b>18,279</b>	<b>14,743</b>	<b>18,378</b>	<b>19,796</b>	<b>20,335</b>	<b>23,521</b>
Account Payables	15,495	16,867	16,771	13,341	16,912	18,198	18,585	21,497
Provisions	1,458	1,563	1,508	1,402	1,466	1,599	1,751	2,025
<b>Net Current Assets</b>	<b>7,938</b>	<b>5,465</b>	<b>12,513</b>	<b>8,687</b>	<b>14,760</b>	<b>20,448</b>	<b>29,445</b>	<b>38,501</b>
Deferred Tax assets	12	14	0	0	0	0	0	0
Misc Expenditure	0	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>30,130</b>	<b>31,724</b>	<b>50,502</b>	<b>76,334</b>	<b>82,475</b>	<b>92,873</b>	<b>1,03,118</b>	<b>1,15,239</b>



## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS (ex treasury)</b>	<b>53.2</b>	<b>54.0</b>	<b>86.3</b>	<b>66.6</b>	<b>51.3</b>	<b>94.9</b>	<b>101.6</b>	<b>120.9</b>
BV/Share	300.8	350.7	497.0	687.8	620.5	830.4	832.2	931.1
DPS	2.5	2.5	7.5	7.0	7.0	18.0	19.0	22.0
Payout (%)	5.6	5.7	8.7	10.5	14.5	19.0	18.7	18.2
<b>Valuation (x)</b>								
P/E	64.7	63.8	39.9	51.7	67.1	36.3	33.9	28.5
P/BV	11.4	9.8	6.9	5.0	5.5	4.1	4.1	3.7
EV/Sales	4.9	5.2	5.8	5.8	5.0	4.6	4.1	3.5
EV/EBITDA	42.3	45.7	26.0	34.7	53.7	35.2	30.5	25.4
Dividend Yield (%)	0.1	0.1	0.2	0.2	0.2	0.5	0.6	0.6
FCF per share	-31.6	50.2	75.3	-10.7	2.5	77.4	111.2	90.0
<b>Return Ratios (%)</b>								
RoE	19.3	16.6	21.4	11.7	8.6	12.1	12.9	13.7
RoCE	18.8	21.4	28.6	16.4	11.5	16.1	17.1	18.2
RoIC	24.2	20.2	41.5	31.0	18.3	27.1	32.1	36.2
<b>Working Capital Ratios</b>								
Asset Turnover (x)	2.1	1.8	1.4	1.0	1.0	1.0	0.9	1.0
Inventory (Days)	73	84	56	62	73	73	60	60
Debtor (Days)	54	46	34	40	51	48	40	40
Creditor (Days)	90	106	87	67	73	75	70	70
<b>Leverage Ratio (x)</b>								
Net Debt/Equity	-0.1	-0.3	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7

### Consolidated - Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>(INR m)</b>								
OP/(Loss) before Tax	7,157	6,253	11,548	9,928	8,346	14,010	16,441	19,602
Depreciation	872	1,072	1,183	1,321	1,501	1,669	1,752	1,935
Interest & Finance Charges	-301	0	0	-906	-1,620	-2,201	120	120
Direct Taxes Paid	-2,166	-1,748	-2,527	-2,547	-1,864	-2,340	-4,143	-4,940
(Inc)/Dec in WC	-7,449	3,272	2,748	-6,526	-4,102	512	2,466	-687
<b>CF from Operations</b>	<b>-1,887</b>	<b>8,849</b>	<b>12,952</b>	<b>1,270</b>	<b>2,260</b>	<b>11,650</b>	<b>16,636</b>	<b>16,030</b>
Others	-456	-877	-1,639	-948	-21	-1,328	0	0
<b>CF from Operating incl EO</b>	<b>-2,343</b>	<b>7,972</b>	<b>11,313</b>	<b>323</b>	<b>2,239</b>	<b>10,322</b>	<b>16,636</b>	<b>16,030</b>
(inc)/dec in FA	-1,529	-1,822	-1,157	-1,732	-1,904	-1,764	-3,000	-5,000
<b>Free Cash Flow</b>	<b>-3,873</b>	<b>6,150</b>	<b>10,155</b>	<b>-1,409</b>	<b>336</b>	<b>8,558</b>	<b>13,636</b>	<b>11,030</b>
(Pur)/Sale of Investments	994	-2,390	-20,778	-17,898	1,167	-7,695	0	0
Others	362	0	0	1,066	116	180	0	0
<b>CF from Investments</b>	<b>-174</b>	<b>-4,212</b>	<b>-21,936</b>	<b>-18,564</b>	<b>-621</b>	<b>-9,279</b>	<b>-3,000</b>	<b>-5,000</b>
Issue of Shares	28	0	10,576	19,021	206	135	121	0
Inc/(Dec) in Debt	2,309	-2,644	-221	-87	0	0	0	0
Interest Paid	-138	-100	-76	-98	-91	-101	-120	-120
Dividend Paid	-289	-260	-245	-737	-757	-758	-2,329	-2,697
<b>CF from Fin. Activity</b>	<b>1,906</b>	<b>-3,001</b>	<b>9,991</b>	<b>17,805</b>	<b>-712</b>	<b>-767</b>	<b>-2,172</b>	<b>-2,661</b>
<b>Inc/Dec of Cash</b>	<b>-611</b>	<b>758</b>	<b>-632</b>	<b>-436</b>	<b>906</b>	<b>276</b>	<b>11,463</b>	<b>8,369</b>
Opening Balance	1,542	931	1,689	1,057	622	1,528	1,804	13,267
<b>Closing Balance</b>	<b>931</b>	<b>1,689</b>	<b>1,057</b>	<b>622</b>	<b>1,528</b>	<b>1,804</b>	<b>13,267</b>	<b>21,636</b>

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NOTES

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