

# Hitachi Energy

Estimate changes



TP change



Rating change



CMP: INR11,750

TP: INR12,000 (+2%)

Neutral

## Weak margin dents overall profitability

Hitachi Energy's 1QFY25 result came in significantly below our estimates due to a steep decline in margin. The company reported 28%YoY growth in revenue, whereas a contraction in EBITDA margin led to a sharp miss in PAT. The weak margin performance was due to higher other expenses, which will come down in the coming quarters. Revenue growth was driven by a strong order book and order inflows, which jumped 112% YoY to INR24b. Order inflows were led by strong growth in transmission, industries and renewables. We believe that Hitachi Energy will continue to benefit from energy transition initiatives across domestic and international markets. However, current valuations factor in potential HVDC wins and margin improvement. We thus maintain our Neutral rating on the stock with an unchanged two-year forward TP of INR12,000, based on DCF.

## Results sharply lower than our estimates

Hitachi Energy posted an extremely weak set of numbers in 1QFY25, as a sharp contraction in margins resulted in a significant miss on net profit vs. our estimate. Revenue grew 27.6% YoY to INR13.3b (est. INR13.7b), led by the execution of the Mumbai-HVDC project, which is now 30-40% complete. EBITDA margin came in at 3.6%, sharply lower than our expectation of 9%, affected by higher other expenses. The increase in other expenses was due to higher IT expenses (as the company shifted to new systems) and higher royalty (calculated on the base of 4QFY24 revenues and forex hedging cost). The company maintained its double-digit EBITDA margin guidance by FY25-end. Order inflow in 1Q stood at INR24.4b, up 112% YoY, and order backlog stood at INR85.4b. Order inflow came from renewables, distribution utilities, upgrade of digital solutions and service orders. Export orders for transformers, power quality technologies and other key products were booked from markets like Europe, the Middle East, Australia and neighboring countries in South Asia.

## We expect Hitachi to be a key beneficiary of high-growth segments

The company remains optimistic about opportunities in energy transition as well as from high-growth segments such as renewables, HVDC, data centers, electrification of transport, etc. In its FY24 annual report too, the company highlighted that it is committed to delivering higher growth than the market and will increase capex on various business units. Additionally, it also plans to launch new products in digital and air-insulated switchgear and is also working on building local capabilities on e-mobility and energy storage. We expect the company to target nearly 60-70% of TAM from HVDC projects and 15-20% of TAM from data center projects. We currently factor in order inflows of INR97b/INR121b/INR139b for FY25/FY26/FY27.

Bloomberg	POWERIND IN
Equity Shares (m)	42
M.Cap.(INRb)/(USDb)	498 / 5.9
52-Week Range (INR)	14390 / 3896
1, 6, 12 Rel. Per (%)	0/85/160
12M Avg Val (INR M)	580

### Financials Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Net Sales	65.2	88.8	111.2
EBITDA	5.6	9.9	13.6
PAT	3.2	6.4	9.1
EPS (INR)	75.4	149.9	213.5
GR. (%)	95.3	98.7	42.4
BV/Sh (INR)	396.2	546.1	759.6
<b>Ratios</b>			
ROE (%)	19.0	27.5	28.1
RoCE (%)	19.6	27.5	28.1
<b>Valuations</b>			
P/E (X)	155.6	78.3	55.0
P/BV (X)	29.6	21.5	15.5
EV/EBITDA (X)	89.2	49.8	35.7
Div Yield (%)	65.2	88.8	111.2

### Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	75.0	75.0	75.0
DII	8.6	9.8	8.1
FII	5.0	3.5	4.5
Others	11.4	11.8	12.4

FII Includes depository receipts

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Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

### Order inflows boosted by large order win in Australia

Order inflows during the quarter surged 112% YoY to INR24b, led by a healthy contribution from transmission, renewables and industries. Data centers, however, saw a 77% YoY decline as ordering activity tends to be chunky in nature. There was a large transmission order (~INR7.9b) for the Marinus Link Project in Australia, which has been allocated by the parent. Key order wins in 1QFY25 included a) 6x500 MVA ICT, 400kV SR - Adani for Gujarat, TBCB; b) Renew-400/33KV AIS SS\_400 MW Solar - NTPC & 200 MW DVC-SECI VIII-NEEMBA-Fatehgarh; c) Kanpur-400/200 kV Digital S/s CRP SAS Retrofit of Existing SS; d) Marinus Link, Australia - HVDC Light Voltage Source Converter; and e) Canada-800 kV CT for Hydro-Québec, Canada.

### Focus remains on increasing share of exports and services

The company has managed to improve the share of exports from low-single digits to 25-30% currently, led by robust traction in key geographies such as the Middle East, SE Asia, etc. It is pursuing opportunities both independently as well as through the parent as a feeder factory. Key orders won during the quarter included a) Cegelec Morocco-POLE 26 Senegal Project, b) Quebec Canada-800 KV CT for Hydro- HE Canada, c) Ministry of Electricity Iraq- 145 kV GIS HE Iraq, d) Damco Energy Greece- 420 kV GIS- HE Greece, and e) EEM: 145 KV GIS- HE Portugal. Similarly, service is another key focus area for the company, with a 4% share in 1Q order inflows, which the management is confident of increasing to high-single digits going forward.

### Financial outlook

We maintain our order inflow and revenue estimates for FY25/FY26 and introduce FY27 estimates. However, given the weak margin performance in 1QFY25 and the management's reiteration of double-digit margin by FY25-end, we cut our margin estimates for FY25/FY26 by 100bp each to 8.5%/11.1%.

### Valuation and view

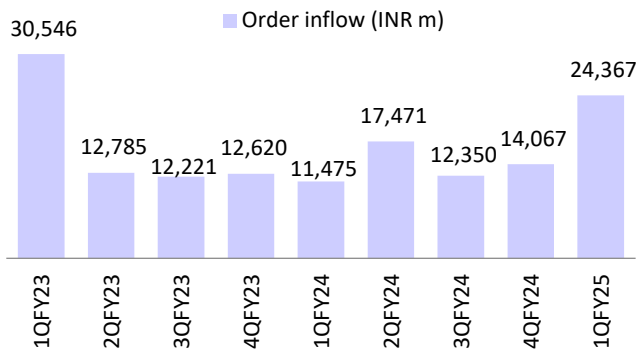
The stock is currently trading at 78x/55x P/E on FY26E/27E earnings. We maintain our Neutral rating with an unchanged two-year forward TP of INR12,000, based on DCF.

### Quarterly Earning Model

	(INR m)											
	FY24				FY25E				FY24	FY25E	FY25E	Est
Y/E March	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	1QE	Var (%)
<b>Net Sales</b>	<b>10,401</b>	<b>12,280</b>	<b>12,742</b>	<b>16,953</b>	<b>13,272</b>	<b>15,648</b>	<b>16,300</b>	<b>19,979</b>	<b>52,375</b>	<b>65,198</b>	<b>13,692</b>	<b>-3</b>
Change (%)	5.5	10.2	23.2	27.1	27.6	27.4	27.9	17.8	17.2	24.5	31.6	
<b>EBITDA</b>	<b>337</b>	<b>653</b>	<b>680</b>	<b>1,820</b>	<b>479</b>	<b>1,283</b>	<b>1,500</b>	<b>2,303</b>	<b>3,490</b>	<b>5,565</b>	<b>1,232</b>	<b>-61</b>
Change (%)	31.3	-13.7	72.4	91.4	42.3	96.4	120.5	26.6	47.9	59.5	266.0	
As of % Sales	3.2	5.3	5.3	10.7	3.6	8.2	9.2	11.5	6.7	8.5	9.0	
Depreciation	223	225	227	225	221	233	238	244	900	978	227	-3
Interest	110	107	137	112	109	94	94	94	466	375	94	16
Other Income	29	2	22	39	1	29	29	58	93	117	28	-97
<b>PBT</b>	<b>34</b>	<b>324</b>	<b>338</b>	<b>1,522</b>	<b>150</b>	<b>985</b>	<b>1,197</b>	<b>2,024</b>	<b>2,217</b>	<b>4,330</b>	<b>939</b>	<b>-84</b>
Tax	10	76	108	385	46	257	313	529	579	1,131	245	
Effective Tax Rate (%)	28.7	23.6	32.0	25.3	30.8	26.1	26.1	26.1	26.1	26.1	26.1	
<b>Reported PAT</b>	<b>24</b>	<b>247</b>	<b>230</b>	<b>1,137</b>	<b>104</b>	<b>728</b>	<b>884</b>	<b>1,495</b>	<b>1,638</b>	<b>3,199</b>	<b>694</b>	<b>-85</b>
Change (%)	79.9	-33.3	401.5	123.7	332.4	194.2	284.9	31.5	74.4	95.3	2,778.7	
<b>Adj PAT</b>	<b>24</b>	<b>247</b>	<b>230</b>	<b>1,137</b>	<b>104</b>	<b>728</b>	<b>884</b>	<b>1,495</b>	<b>1,638</b>	<b>3,199</b>	<b>694</b>	<b>-85</b>
Change (%)	79.9	-33.3	402	123.7	332.4	194.2	284.9	31.5	74.4	95.3	2,778.7	

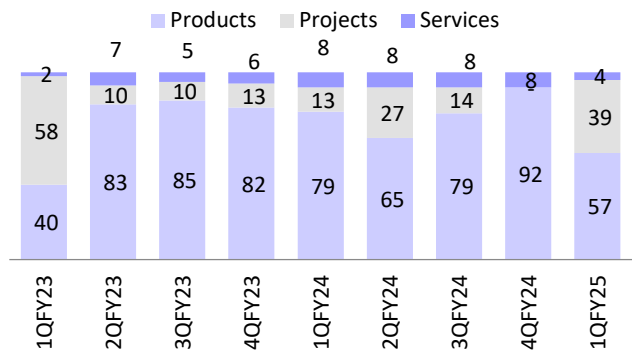
**Key Exhibits**

**Exhibit 1: Order inflow grew by 112% YoY (INR m)**



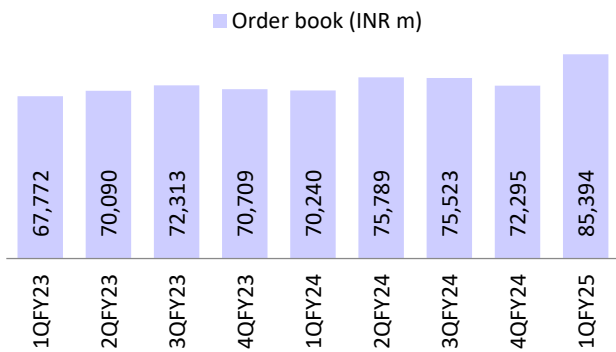
Source: Company, MOFSL

**Exhibit 2: Inflows from projects increased in 1QFY25 (%)**



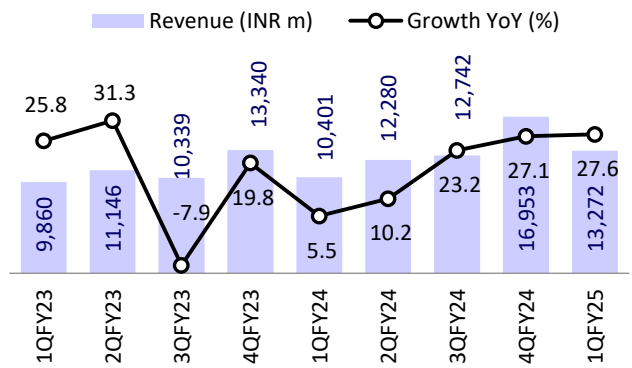
Source: Company, MOFSL

**Exhibit 3: Order book grew by 22% YoY (INR m)**



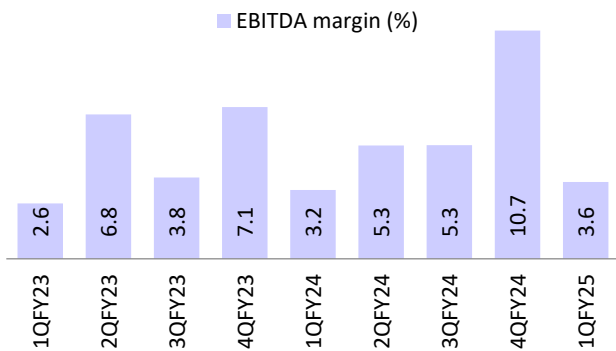
Source: Company, MOFSL

**Exhibit 4: Revenue grew 28% YoY to INR13.3b in 1QFY25**



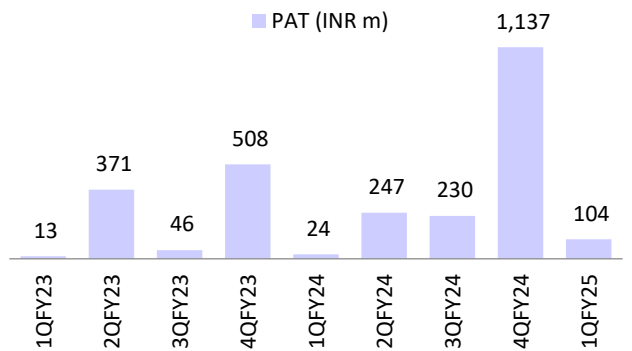
Source: Company, MOFSL

**Exhibit 5: EBITDA margin saw a sequential decline to 3.6%**



Source: Company, MOFSL

**Exhibit 6: PAT grew 332% YoY to INR104m on a low base**



Source: Company, MOFSL

**Exhibit 7: Key order wins in exports and services for Hitachi Energy during 1QFY25**

Exports	Services
Cegelec Morocco-POLE 26 Senegal Project	❖ Emergency remote support extended to key data center hub in Hyderabad for SCADA
Quebec Canada-800 KV CT for Hydro- HE Canada	❖ 21 Nos of Busbar Scheme commissioned in one month time for petrochemicals unit in Nagothane
Ministry of Electricity Iraq- 145 kV GIS HE Iraq	❖ Single largest upgradation order from PGCIL, Kanpur for Substation Automation & spare orders for HVDC Stations from PGCIL
Damco Energy Greece-420 kV GIS- HE Greece	❖ Life cycle support service for GCB in Purulia & SCADA upgrade orders in West Bengal
EEM: 145 KV GIS- HE Portugal	❖ RE study orders from private utilities, renewable generation companies, industrial houses and EPCs
Marinus Link Pty Ltd selected Hitachi Energy to supply a HVDC project in Australia	

Source: Company, MOFSL

**Exhibit 8: Hitachi Energy's total payment to group companies stood around 6.8-8.7% of sales in the last three years (INR m)**

Hitachi Energy	CY2019	CY2020	FY2022	FY2023	FY2024
Total payment to group companies (INR m)	2,876	3,498	4,273	3,038	3,840
Total sales (INR m)	32,361	34,204	48,840	44,685	52,375
<b>Royalty, tech, trade mark, IT and GM fee (% of sales)</b>	<b>8.9</b>	<b>10.2</b>	<b>8.7</b>	<b>6.8</b>	<b>7.3</b>

Source: Company, MOFSL

**Exhibit 9: Hitachi Energy's payments to group entities over the last five years indicate that royalty, IT fee, group management fee payments to parent increased, while fee payments to ABB declined (INR m)**

Break up of royalty and technology fee	CY2019	CY2020	FY2022	FY2023	FY2024
Hitachi Energy, Switzerland	-	644.6	1975.6	1462.2	1901.5
ABB Schweiz AG, Baden, Switzerland	1,296	810.3			
<b>Total</b>	<b>1,296</b>	<b>1,455</b>	<b>1,976</b>	<b>1,462</b>	<b>1,902</b>
Break up of trade mark fee	CY2019	CY2020	FY2022	FY2023	FY2023
Holding company	353				
Hitachi Energy Ltd		433			
<b>Total</b>	<b>353</b>	<b>433</b>	<b>-</b>	<b>-</b>	<b>-</b>
Break up of Information technology and group management expenses	CY2019	CY2020	FY2022	FY2023	FY2024
Hitachi Energy Ltd	0.9	0	727.6	477.3	635.9
Hitachi Energy Technology Services	0	216.2	517.4	431.4	569.8
Hitachi Energy Holdings, Zurich	0	361.1	625.9	392.6	747.2
ABB India Limited; Bangalore; India	246.2	586.7	429.8	160.3	31
ABB Information Systems Ltd., Zurich, Switzerland	558.2	359.9	266.2	163.1	54.3
Other fellow subsidiaries	295.4	260.4	399.0	364.1	358.5
<b>Total</b>	<b>1100.7</b>	<b>1784.3</b>	<b>2965.9</b>	<b>1988.8</b>	<b>2396.7</b>

Source: Company, MOFSL

**Exhibit 10: Hitachi Energy India's expansion done in the last two years**

Timeline	Product	Functions
May, 2022	❖ Resin Impregnated Paper bushings up to 400kV voltage level	❖ Resin Impregnated Paper bushings offer an improvement over traditional oil-based alternatives by preventing moisture ingress, oil leakage and reducing risks of fire in case of failure
Aug, 2022	❖ Greenfield project in Doddaballapur for High Voltage Power Quality products such as advanced capacitor units and other products	❖ These products find application in power utilities, industries, renewables and transportation segments to improve efficiency and reduce energy waste
Aug, 2022	❖ Production of operating Mechanism of circuit breaker in Maneja, Vadodara	❖ For catering increasing demand from global and local customers for operating mechanism like FSA and BLG (industry standards of drives), which have a wide range of applications in various circuit breakers all over the world.
FY23	❖ Launched the advanced power system factory in Chennai for HVDC Light, HVDC Classic and STATCOM with MACHTM control and protection system	❖ For catering to the rising number of high-voltage transmission projects in India and export to support global HVDC installations.

Source: Company, MOFSL

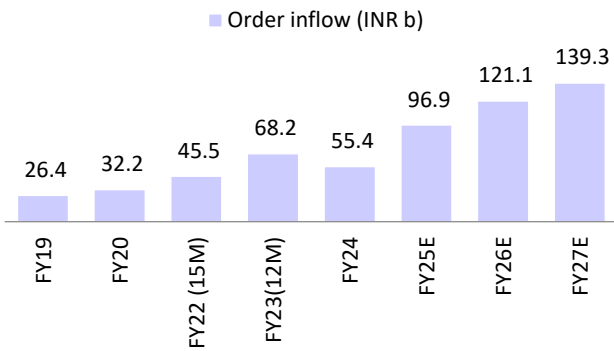
**Exhibit 11: Company also invested in expanding global feeder factories to cater to parent's demand for other countries**

Facility	Requirements
<b>Global feeder factory for switchgear at Vadodara</b>	❖ Established in 2020 for supplying modules to Hitachi Energy group factories
<b>Additional requirements from Indian factories</b>	❖ Continuously expanding - New manufacturing facilities for Operating mechanism & 550kV Dead Tank Breakers
	❖ Global market allocation for Dead Tank Breakers, PASS, Instrument Transformers & Disconnectors

Source: Company, MOFSL

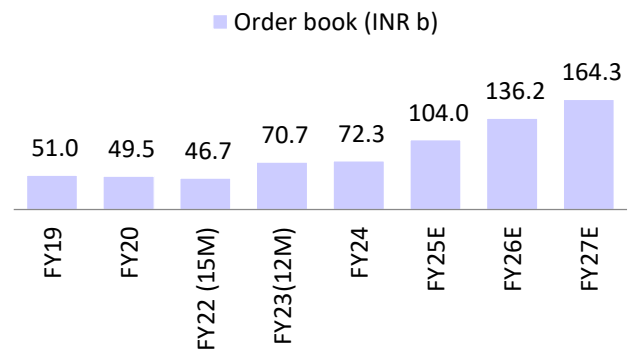
**Financial outlook**

**Exhibit 12: We expect strong order inflows in HVDC**



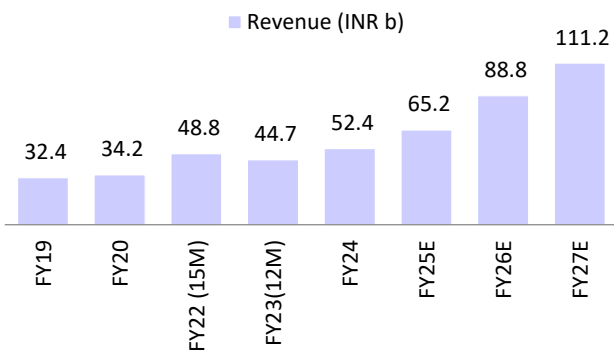
Source: Company, MOFSL

**Exhibit 13: Order book to be buoyant over FY25E-27E**



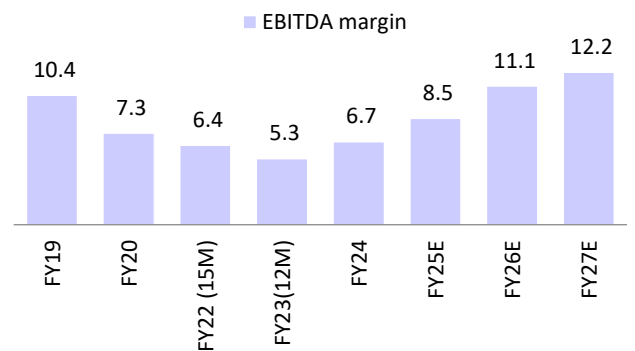
Source: Company, MOFSL

**Exhibit 14: We expect revenue to scale up sharply by FY27**



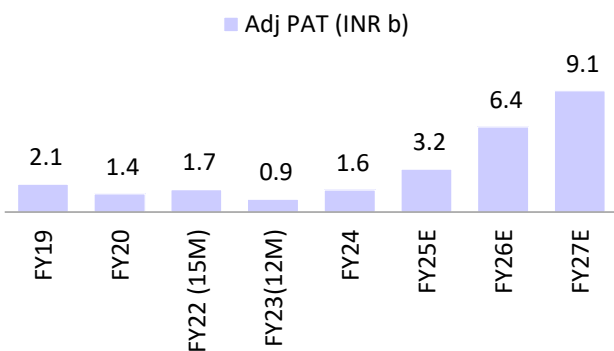
Source: Company, MOFSL

**Exhibit 15: We expect double-digit EBITDA margin by FY26E**



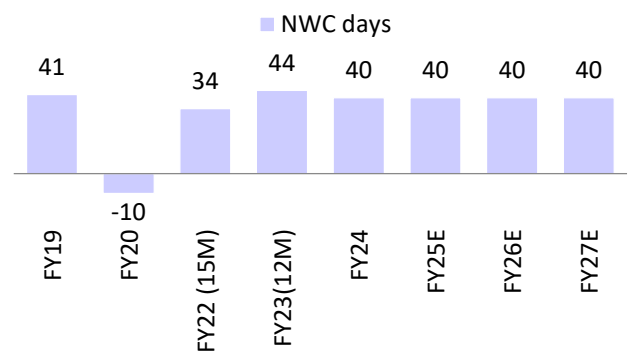
Source: Company, MOFSL

**Exhibit 16: We expect a robust PAT CAGR over FY24-27E**

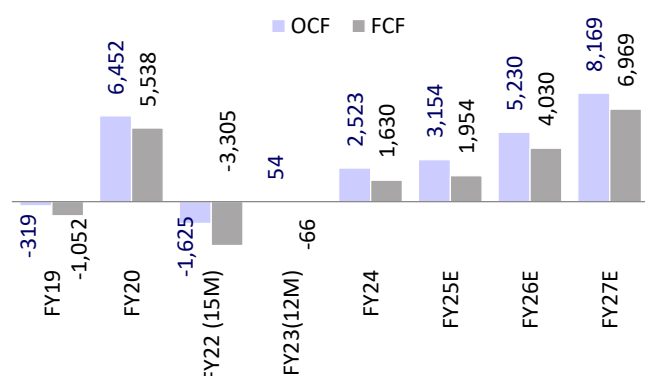


Source: Company, MOFSL

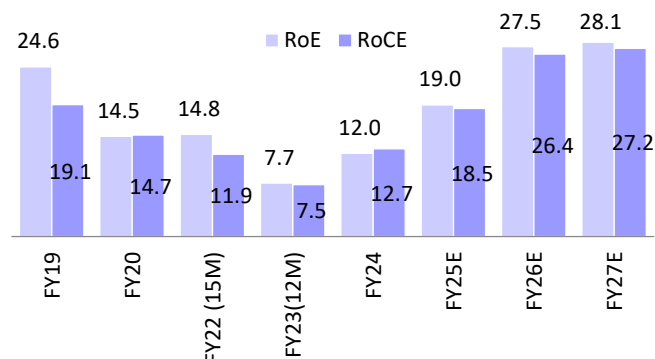
**Exhibit 17: We expect NWC days to be in a stable range**



Source: Company, MOFSL

**Exhibit 18: OCF & FCF to be higher led by improving operating performance (INR m)**

Source: Company, MOFSL

**Exhibit 19: We expect better return ratios led by improved profitability (%)**

Source: Company, MOFSL

## Valuation and view

The stock is currently trading at 156x/78x/55x P/E on FY25E/FY26E/FY27E earnings. We believe that the company is ideally positioned to participate in a strong prospect pipeline on renewables and can potentially win HVDC orders in upcoming tenders. The stock price is already factoring in these potential positives. We maintain our Neutral rating on the stock with a two-year forward TP of INR12,000, based on DCF.

## Key risks and concerns

**Key risks:** 1) slowdown in order inflows from key government-focused segments (such as transmission and railways) due to election schedule; 2) aggression in bids to procure large-sized projects; 3) a sharp rise in commodity prices, particularly steel; and 4) delays in finalization of large-sized HVDC tenders.

**Exhibit 20: We cut our estimates to reflect weaker than expected margins**

(INR M)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	65,198	65,198	-	88,849	88,849	-
EBITDA	5,565	6,217	(10.5)	9,894	10,782	(8.2)
EBITDA (%)	8.5	9.5	-100 bps	11.1	12.1	-100 bps
Adj. PAT	3,199	3,680	(13.1)	6,356	7,013	(9.4)
EPS (INR)	75.4	86.8	(13.1)	149.9	165.4	(9.4)

Source: MOFSL

## Financials and valuation

Income Statement					(INR m)		
Y/E March	2020(12M)	2022(15M)	2023(12M)	2024	2025E	2026E	2027E
<b>Net Sales</b>	<b>34,204</b>	<b>48,840</b>	<b>44,685</b>	<b>52,375</b>	<b>65,198</b>	<b>88,849</b>	<b>1,11,173</b>
Change (%)	5.7	42.8	-8.5	17.2	24.5	36.3	25.1
Raw Materials	17,606	27,712	27,110	32,191	40,073	54,165	67,774
<b>Gross Profit</b>	<b>16,599</b>	<b>21,128</b>	<b>17,576</b>	<b>20,184</b>	<b>25,126</b>	<b>34,684</b>	<b>43,399</b>
Subcontracting charges	2,668	2,865	1,506	1,834	2,283	3,023	3,671
Staff Cost	3,694	4,868	4,173	4,902	5,542	6,664	8,338
Other Expenses	7,728	10,289	9,538	9,959	11,736	15,104	17,788
<b>EBITDA</b>	<b>2,509</b>	<b>3,107</b>	<b>2,359</b>	<b>3,490</b>	<b>5,565</b>	<b>9,894</b>	<b>13,602</b>
% of Net Sales	7.3	6.4	5.3	6.7	8.5	11.1	12.2
Depreciation	772	955	802	900	978	1,074	1,171
Interest	204	414	401	466	375	375	375
Other Income	185	669	151	93	117	160	200
<b>PBT</b>	<b>1,718</b>	<b>2,407</b>	<b>1,308</b>	<b>2,217</b>	<b>4,330</b>	<b>8,604</b>	<b>12,256</b>
Tax	365	732	369	579	1,131	2,248	3,202
Rate (%)	21.2	30.4	28.2	26.1	26.1	26.1	26.1
Extra-ordinary Inc.(net)	-355	359	0	0	0	0	0
<b>Reported PAT</b>	<b>998</b>	<b>2,034</b>	<b>939</b>	<b>1,638</b>	<b>3,199</b>	<b>6,356</b>	<b>9,054</b>
Change (%)	-39.7	103.8	-53.8	74.4	95.3	98.7	42.4
<b>Adjusted PAT</b>	<b>1,353</b>	<b>1,676</b>	<b>939</b>	<b>1,638</b>	<b>3,199</b>	<b>6,356</b>	<b>9,054</b>
Change (%)	-34.4	23.8	-44.0	74.4	95.3	98.7	42.4

E: MOFSL estimates

Balance Sheet					(INR m)		
Y/E March	2020(12M)	2022(15M)	2023(12M)	2024	2025E	2026E	2027E
Share Capital	85	85	85	85	85	85	85
Reserves	9,240	11,239	12,068	13,514	16,712	23,069	32,123
<b>Net Worth</b>	<b>9,325</b>	<b>11,324</b>	<b>12,153</b>	<b>13,599</b>	<b>16,797</b>	<b>23,154</b>	<b>32,208</b>
Loans	0	1,250	2,750	1,500	1,500	1,500	1,500
Deferred Tax Liability	-219	-348	-319	-537	-537	-537	-537
<b>Capital Employed</b>	<b>9,107</b>	<b>12,226</b>	<b>14,584</b>	<b>14,562</b>	<b>17,760</b>	<b>24,117</b>	<b>33,171</b>
Gross Fixed Assets	8,779	9,547	10,802	11,523	12,723	13,923	15,123
Less: Depreciation	2,568	3,355	3,998	4,898	5,875	6,950	8,121
<b>Net Fixed Assets</b>	<b>6,211</b>	<b>6,192</b>	<b>6,805</b>	<b>6,626</b>	<b>6,848</b>	<b>6,974</b>	<b>7,003</b>
Capital WIP	324	1,183	487	626	626	626	626
Goodwill and intangibles	348	334	329	324	324	324	324
Investments	0	0	0	0	0	0	0
<b>Curr. Assets</b>	<b>27,931</b>	<b>27,182</b>	<b>31,246</b>	<b>38,962</b>	<b>49,766</b>	<b>70,436</b>	<b>93,090</b>
Inventory	4,951	7,073	8,179	8,879	11,053	15,063	18,848
Debtors	15,845	14,187	15,278	15,217	18,943	25,814	32,300
Cash & Bank Balance	3,190	859	1,633	1,282	2,861	6,516	13,110
Loans & Advances	163	54	57	69	86	117	146
Other Current Assets	3,783	5,009	6,100	13,514	16,823	22,926	28,686
<b>Current Liab. &amp; Prov.</b>	<b>25,706</b>	<b>22,665</b>	<b>24,282</b>	<b>31,975</b>	<b>39,804</b>	<b>54,243</b>	<b>67,871</b>
Creditors	15,780	16,190	15,146	18,097	22,528	30,700	38,414
Other Liabilities	8,044	4,732	7,184	11,659	14,513	19,778	24,747
Provisions	1,882	1,743	1,952	2,219	2,762	3,764	4,710
<b>Net Current Assets</b>	<b>2,225</b>	<b>4,517</b>	<b>6,964</b>	<b>6,987</b>	<b>9,962</b>	<b>16,193</b>	<b>25,218</b>
<b>Application of Funds</b>	<b>9,107</b>	<b>12,226</b>	<b>14,584</b>	<b>14,562</b>	<b>17,760</b>	<b>24,116</b>	<b>33,171</b>

E: MOFSL estimates



## Financials and valuation

### Ratios

Y/E March	2020(12M)	2022(15M)	2023(12M)	2024	2025E	2026E	2027E
<b>Basic (INR)</b>	23.5	48.0	22.1	38.6	75.4	149.9	213.5
<b>Adjusted EPS</b>	<b>31.9</b>	<b>39.5</b>	<b>22.1</b>	<b>38.6</b>	<b>75.4</b>	<b>149.9</b>	<b>213.5</b>
Growth (%)	-34.4	23.8	-44.0	74.4	95.3	98.7	42.4
Cash EPS	50.1	62.0	41.1	59.9	98.5	175.3	241.2
Book Value	219.9	267.1	286.6	320.7	396.2	546.1	759.6
DPS	0.0	2.0	3.0	3.4	0.0	0.0	0.0
Payout (incl. Div. Tax.)	0.0	5.0	13.5	8.8	0.0	0.0	0.0
<b>Valuation (x)</b>							
<b>P/Sales</b>	<b>14.6</b>	<b>10.2</b>	<b>11.1</b>	<b>9.5</b>	<b>7.6</b>	<b>5.6</b>	<b>4.5</b>
P/E (standalone)	367.9	297.1	530.1	303.9	155.6	78.3	55.0
Cash P/E	234.3	189.3	286.0	196.1	119.2	67.0	48.7
EV/EBITDA	197.1	160.4	211.4	142.7	89.2	49.8	35.7
EV/Sales	14.5	10.2	11.2	9.5	7.6	5.5	4.4
Price/Book Value	53.4	44.0	41.0	36.6	29.6	21.5	15.5
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Profitability Ratios (%)</b>							
RoE	14.5	14.8	7.7	12.0	19.0	27.5	28.1
RoCE	16.6	16.1	8.4	13.6	19.6	27.5	28.1
RoIC	23.1	13.2	8.6	14.4	22.7	37.0	45.8
<b>Turnover Ratios</b>							
Debtors (Days)	169	106	125	106	106	106	106
Inventory (Days)	53	53	67	62	62	62	62
Creditors. (Days)	168	121	124	126	126	126	126
Asset Turnover (x)	3.8	4.0	3.1	3.6	3.7	3.7	3.4
<b>Leverage Ratio</b>							
Net Debt/Equity (x)	-0.3	0.0	0.1	0.0	-0.1	-0.2	-0.4

E: MOFSL estimates

### Cash Flow Statement

Y/E March	2020(12M)	2022(15M)	2023(12M)	2024	2025E	2026E	2027E
<b>PBT before EO Items</b>	<b>1,718</b>	<b>2,407</b>	<b>1,308</b>	<b>2,217</b>	<b>4,330</b>	<b>8,604</b>	<b>12,256</b>
Add : Depreciation	772	955	802	900	978	1,074	1,171
Interest	189	405	395	466	375	375	375
Less : Direct Taxes Paid	454	928	666	507	1,131	2,248	3,202
(Inc)/Dec in WC	-3,787	4,447	1,817	493	1,397	2,576	2,431
Others	440	-17	32	-59	0	0	0
<b>CF from Operations</b>	<b>6,452</b>	<b>-1,625</b>	<b>54</b>	<b>2,523</b>	<b>3,154</b>	<b>5,230</b>	<b>8,169</b>
(Inc)/Dec in FA	-906	-1,675	-120	-889	-1,200	-1,200	-1,200
<b>Free Cash Flow</b>	<b>5,547</b>	<b>-3,300</b>	<b>-66</b>	<b>1,634</b>	<b>1,954</b>	<b>4,030</b>	<b>6,969</b>
(Pur)/Sale of Investments	0	0	0	0	0	0	0
Others	16	5	2	2	0	0	0
<b>CF from Investments</b>	<b>-890</b>	<b>-1,670</b>	<b>-118</b>	<b>-887</b>	<b>-1,200</b>	<b>-1,200</b>	<b>-1,200</b>
(Inc)/Dec in Net Worth	0	0	0	0	0	0	0
(Inc)/Dec in Debt	-3,572	1,104	1,364	-1,250	0	0	0
Less : Interest Paid	327	414	401	409	375	375	375
Dividend Paid	0	84	127	144	0	0	0
Others	-355	358	2	-185	0	0	0
<b>CF from Fin. Activity</b>	<b>-4,253</b>	<b>964</b>	<b>839</b>	<b>-1,987</b>	<b>-375</b>	<b>-375</b>	<b>-375</b>
<b>Inc/Dec of Cash</b>	<b>1,309</b>	<b>-2,331</b>	<b>775</b>	<b>-351</b>	<b>1,579</b>	<b>3,655</b>	<b>6,594</b>
Add: Beginning Balance	1,880	3,189	858	1,633	1,282	2,861	6,516
<b>Closing Balance</b>	<b>3,189</b>	<b>858</b>	<b>1,633</b>	<b>1,282</b>	<b>2,861</b>	<b>6,516</b>	<b>13,110</b>

E: MOFSL estimates

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NOTES

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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