

# Escorts Kubota

Estimate changes

TP change

Rating change



**CMP: INR3,305**

**TP: INR3,295**

**Neutral**

Bloomberg	ESCORTS IN
Equity Shares (m)	112
M.Cap.(INRb)/(USD\$b)	369.5 / 4.2
52-Week Range (INR)	4422 / 2671
1, 6, 12 Rel. Per (%)	-3/-6/10
12M Avg Val (INR M)	981

## Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	97.9	111.5	129.3
EBITDA	10.9	13.0	16.0
EBITDA Margin (%)	8.8	9.5	10.3
Adj. PAT	10.6	12.6	15.0
EPS (INR)	86.6	102.7	122.6
EPS Gr. (%)	-8.8	18.6	19.3
BV/Sh. (INR)	951	1,034	1,135

## Ratios

RoE (%)	10.2	10.3	11.3
RoCE (%)	12.5	13.6	14.8
Payout (%)	18.5	18.5	18.0

## Valuations

P/E (x)	38.2	32.2	27.0
P/BV (x)	3.5	3.2	2.9
EV/EBITDA (x)	36.2	30.2	24.5
Div. Yield (%)	0.5	0.6	0.7
FCF yield (%)	4.1	2.4	3.0

## Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	68.0	68.0	67.7
DII	10.2	10.2	10.6
FII	7.6	8.0	6.9
Others	14.2	13.7	14.9

FII includes depository receipts

## Operating performance disappoints

### Demand outlook positive, though recovery in market share crucial

- Escorts Kubota (ESCORTS) reported a weak operating performance in 3QFY25 as EBITDA margin declined to 11.4% (est. 12%) due to an unfavorable mix and low ASP. While management remains optimistic about near-term demand and has completed channel inventory rationalization, regaining lost market share will be critical.
- The company has discontinued the railway division following its recent slump sale to Sona Comstar, and it is no longer part of our estimates. Along with lower gross margins, this leads us to cut our FY25E/FY26E consolidated EPS by ~15%/10%. We maintain a Neutral rating on the stock with a TP of INR3,295, based on ~28x Dec'26E EPS.

### Operational performance disappoints, yet again

- 3QFY25 standalone revenue/EBITDA/PAT grew ~9%/4%/8% YoY to INR29.4b/INR3.4b/INR2.9b. 9MFY25 revenue/EBITDA/adj. PAT declined 4%/5%/19% YoY. The company has discontinued its railway division from this quarter.
- Revenue from agri machinery grew ~9% YoY. Revenue from the construction equipment (CE) division rose 4% YoY.
- Gross margin during the quarter declined 60bp YoY/350bp QoQ to 26.9% (est. 30.7%), which was offset by lower other operating expenses. As a result, EBITDA margin stood at 11.4% (-60bp YoY/+110bp QoQ, est. 12%).
- Agri machinery EBIT margin declined to 10.4% (vs. 12.1% in 3QFY24) due to an unfavorable mix (higher non-core regions and 40-50 HP segment) and lower realization per unit. The 160bp YoY margin impact in agri machinery was due to production swings (2Q to 3Q), commodity cost inflation (~50bp impact), and higher festive discounting in Sep-Nov'24, which will not persist.
- CE margins improved to 11% in 3QFY25 (vs. 8.1% in 3QFY24) due to price hikes and better operational efficiency.
- Non-tractor revenue formed 21% of agri machinery revenue, up from 19% YoY. The harvester segment grew over 30% YoY, but it is currently imported, impacting margins.
- The board announced an interim dividend of INR10 per share.

### Highlights from the management commentary

- Tractor Industry** is expected to grow by 14-15% in 4QFY25, with 1QFY26 also expected to see healthy growth given positive rural sentiment. The FY26 outlook depends on the monsoon, which remains a key demand driver.

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

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.

- **EKL wholesale market share stood at 11.8% for 3Q.** Retail market share remains higher than wholesale market share due to inventory rationalization, now at four weeks (from six weeks earlier). EKL's market share was impacted by higher industry growth in non-core markets (South, West, Chhattisgarh, Odisha, Jharkhand). Market share is expected to improve over the next 3-6 months, supported by product interventions and channel expansion.
- **EKL launched the PROMAXX series** under the Farmtrac brand (30-50 HP) to strengthen its presence in Gujarat, Maharashtra, Chhattisgarh, Odisha, and MP, with more product launches lined up.
- **Export volumes declined to 971 units** (vs. 1,371 YoY), with ~27% of sales to the Kubota Global Network. Exports are expected to grow 20-25% in FY26, aided by a low base and increased access to Kubota's European network (~5,000 units currently).

### Valuation and view

- Demand for domestic tractors is improving, with FY25 volumes expected to grow by 6-7%, driven by a healthy monsoon, favorable crop prices, and government support. While management remains optimistic about near-term demand and has completed channel inventory rationalization, regaining lost market share will be critical.
- The company has discontinued the railway division following its recent slump sale to Sona Comstar, and it is no longer part of our estimates. Along with lower gross margins, this leads us to cut FY25E/FY26E consolidated EPS by ~15%/10%. While synergies between Escorts and Kubota are significant, they will likely materialize over the medium to long term. The stock is trading at a premium of ~32x FY25E/27x FY26E EPS, compared to its 10-year average of ~18x, mainly due to the Kubota parentage. We maintain a Neutral rating on the stock with a TP of INR3,295, based on ~28x Dec'26E EPS.

### Standalone Quarterly Performance

Y/E March	(INR m)											
	FY24				FY25E				FY24	FY25E	3Q	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY24			
<b>Net Sales</b>	<b>23,277</b>	<b>24,646</b>	<b>27,064</b>	<b>20,825</b>	<b>25,563</b>	<b>22,649</b>	<b>29,354</b>	<b>20,320</b>	<b>88,496</b>	<b>97,887</b>	<b>31,133</b>	<b>-5.7</b>
YoY Change (%)	15.5	30.9	19.6	-4.6	9.8	-8.1	8.5	-2.4	6.0	10.6	34.2	
Total Expenditure	20,008	21,979	23,826	18,166	22,394	20,321	26,001	18,275	76,829	86,992	27,397	
<b>EBITDA</b>	<b>3,269</b>	<b>2,667</b>	<b>3,238</b>	<b>2,659</b>	<b>3,169</b>	<b>2,328</b>	<b>3,353</b>	<b>2,045</b>	<b>11,667</b>	<b>10,895</b>	<b>3,736</b>	<b>-10.3</b>
Margins (%)	14.0	10.8	12.0	12.8	12.4	10.3	11.4	10.1	13.2	11.1	12.0	-0.6
Depreciation	402	582	565	441	590	610	612	468	1,669	2,279	640	-4.3
Interest	27	87	104	35	101	92	31	47	137	270	65	-53.1
Other Income	945	936	1,004	1,053	1,024	1,152	1,092	1,142	3,986	4,410	1,150	-5.1
<b>PBT</b>	<b>3,786</b>	<b>2,935</b>	<b>3,573</b>	<b>3,237</b>	<b>3,502</b>	<b>2,778</b>	<b>3,802</b>	<b>2,673</b>	<b>13,847</b>	<b>12,756</b>	<b>4,181</b>	<b>-9.1</b>
Rate (%)	25.3	27.3	24.5	25.2	24.0	-8.9	23.6	24.5	25.4	16.8	25.0	
<b>Adj. PAT</b>	<b>2,828</b>	<b>2,133</b>	<b>2,698</b>	<b>2,421</b>	<b>2,662</b>	<b>3,027</b>	<b>2,905</b>	<b>2,019</b>	<b>10,327</b>	<b>10,613</b>	<b>3,136</b>	<b>-7.4</b>
YoY Change (%)	91.8	49.7	44.7	18.7	-5.9	41.9	7.7	-16.6	51.8	2.8	13.1	
Margins (%)	12.1	8.7	10.0	11.6	10.4	13.4	9.9	9.9	11.7	10.8	10.1	

E: MOFSL Estimates

**Key Performance Indicators**

	FY24				FY25E				FY24	FY25E	3Q	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Volumes ('000 units)	26,582	26,240	27,907	15,129	30,370	25,995	32,556	22,569	95,858	1,11,490	34,002	<b>-4.3</b>
Change (%)	-0.8	10.7	-0.4	-38.9	14.3	-0.9	16.7	49.2	-7.2	16.3	21.8	
Net Realn (INR '000/unit)	627.1	681.9	791.5	919.2	715.1	724.8	742.3	753.3	637.4	733.0	728.4	<b>1.9</b>
Change (%)	5.3	11.1	29.9	46.2	14.0	6.3	-6.2	-18.1	4.2	15.0	22.6	
<b>Cost Break-up</b>												
RM Cost (% of sales)	69.8	69.9	72.5	68.1	70.8	69.6	73.1	67.9	68.8	70.6	69.3	
Staff Cost (% of sales)	6.4	7.9	6.4	7.6	6.8	8.2	6.8	9.0	7.3	7.6	7.5	
Other Cost (% of sales)	9.8	11.4	9.1	11.6	10.1	11.9	8.8	13.0	10.7	10.7	11.2	
Gross Margins (%)	30.2	30.1	27.5	31.9	29.2	30.4	26.9	32.1	31.2	29.4	30.7	
EBITDA Margins (%)	14.0	10.8	12.0	12.8	12.4	10.3	11.4	10.1	13.2	11.1	12.0	
EBIT Margins (%)	12.3	8.5	9.9	10.7	10.1	7.6	9.3	7.8	11.3	8.8	9.9	
<b>Segmental PBIT Margin (%)</b>												
Agri Machinery	13.4	9.3	12.1	11.2	11.7	9.1	10.4	9.5	13.3	10.3	11.2	
Construction Equipment	7.6	9.9	8.1	10.7	10.3	9.3	11.0	8.0	9.5	9.8	10.5	

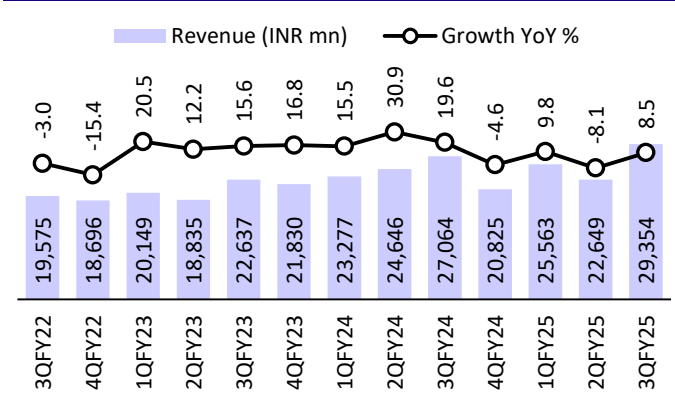


## Highlights from the management commentary

- **Domestic Tractor:** Industry grew 13.5% YoY to 267k units, with North & Central regions up 2.5% and the rest of India up 28.6%. EKL's domestic volumes stood at 31,585 units (+6% YoY), with a market share of 11.8%. Industry growth for FY25 is expected at 6-7%.
- **Tractor Industry** is expected to grow by 14-15% in 4QFY25, with 1QFY26 also expected to see healthy growth given positive rural sentiment. Outlook for FY26 depends on the monsoon, which remains a key demand driver.
- **EKL wholesale market share stood at 11.8% for 3Q.** Retail market share remains higher than wholesale market share due to inventory rationalization, now at four weeks (from six weeks earlier). EKL's market share was impacted by higher industry growth in non-core markets (South, West, Chhattisgarh, Odisha, Jharkhand). Market share is expected to improve over the next 3-6 months, supported by product interventions and channel expansion.
- **EKL launched the PROMAXX series** under the Farmtrac brand (30-50 HP) to strengthen its presence in Gujarat, Maharashtra, Chhattisgarh, Odisha, and MP, with more product launches lined up.
- **Captive financing** has started selectively and will scale up in 2HFY26, aiding market share growth.
- **Export volumes declined to 971 units (vs. 1,371 YoY), with ~27% of sales** to the Kubota Global Network. New specialized products for the European market have entered production, with exports commencing from this quarter. Exports are expected to grow 20-25% in FY26, aided by a low base and increased access to Kubota's European network (~5,000 units currently). Export margins are in line with domestic margins, though contribution per unit is slightly lower; however, realization is better due to exchange rates.
- **Non-tractor revenue & machinery:** Non-tractor revenue (agri machinery, engines, services, and spares) formed 21% of agri machinery revenue, up from 19% YoY. The harvester segment grew over 30% YoY, but it is currently imported, impacting margins. Margin improvement is expected once localization begins. Kubota and Tractec hold over 30% share in the harvester segment.
- **Construction Equipment (CE):** Industry volumes for cranes, backhoe loaders, mini excavators, and compactors grew ~14% YoY, led by backhoe loaders (+18%). EKL's CE volume stood at 1,989 units (vs. 2,008 YoY), with revenue at INR5.2bn (+4.1% YoY). EBIT margin improved to 11% (vs. 8.1% YoY), aided by pricing actions and operating leverage. New emission norms from Jan'25 will increase costs by 10%+ (BS3-to-BS5) and 5-6% (BS4-to-BS5). Given a weak demand outlook, the cost pass-through may take time. This is likely to hurt margins and profitability in FY26.
- **Railway Equipment Business (Discontinued Operations):** Revenue declined 2.2% YoY to INR2b. The order book stands at INR8.9b, excluding INR3.8b orders for freight wagons, which are on hold. The railway division posted a PBIT of INR440m, with a margin of 21.9% for the quarter.
- **Greenfield Plant:** The company expressed interest in acquiring land in UP after cancelling Rajasthan plant plans. Management is awaiting confirmation from the Government on the same.

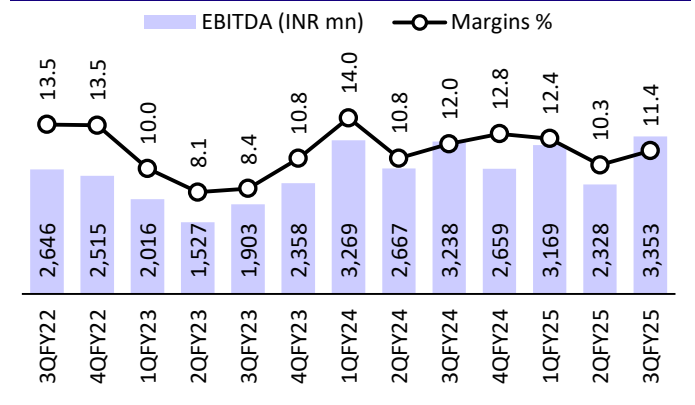
■ **Approved the sale of ~33,000 sq. yards of land adjacent to the Railway Equipment Business to SONACOMS for INR1.1b.** This land housed the spare parts operations, which will be relocated to another location.

**Exhibit 1: Revenue and revenue growth trends**



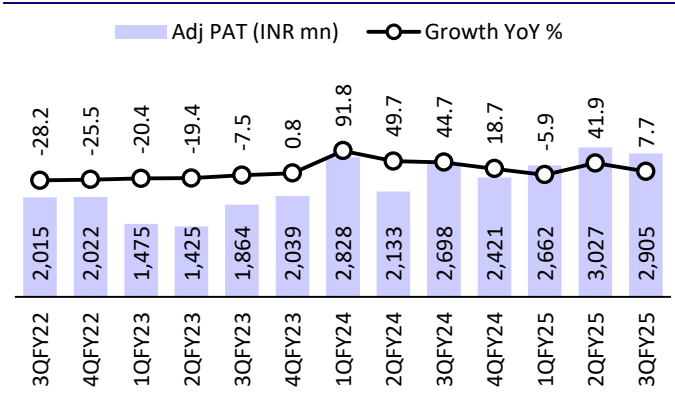
Source: MOFSL, Company

**Exhibit 2: EBITDA and EBITDA margin trends**



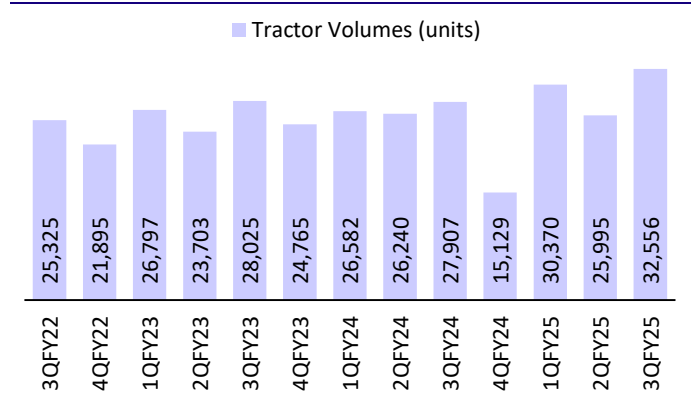
Source: MOFSL, Company

**Exhibit 3: Adjusted PAT and growth trend**



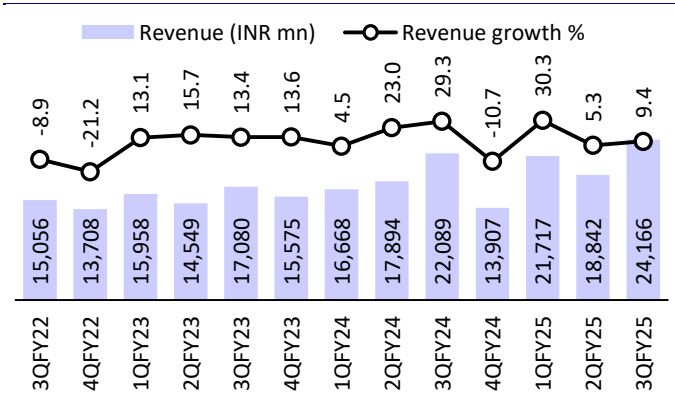
Source: MOFSL, Company

**Exhibit 4: Trend in Tractor volumes**



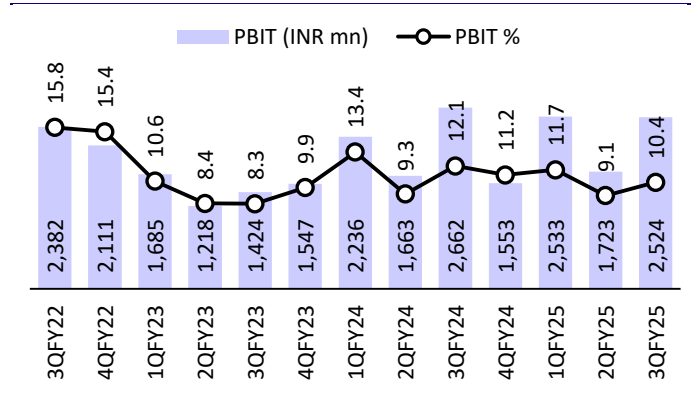
Source: MOFSL, Company

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

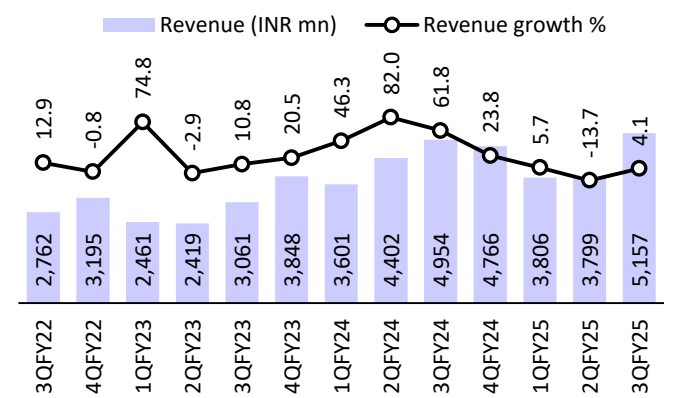


Source: MOFSL, Company

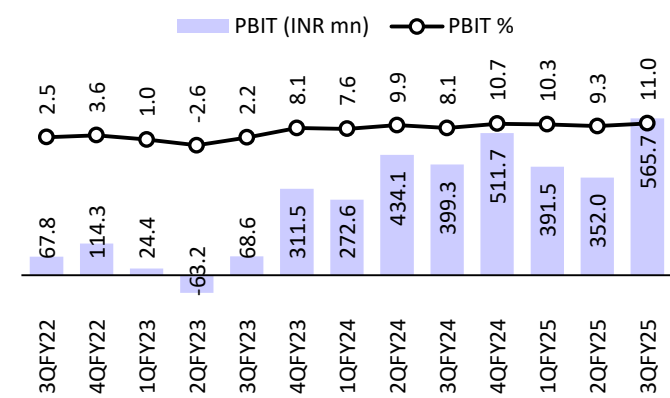
**Exhibit 6: PBIT trend in the Tractor segment**



Source: MOFSL, Company

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

Source: MOFSL, Company

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

Source: MOFSL, Company

## Valuation and view

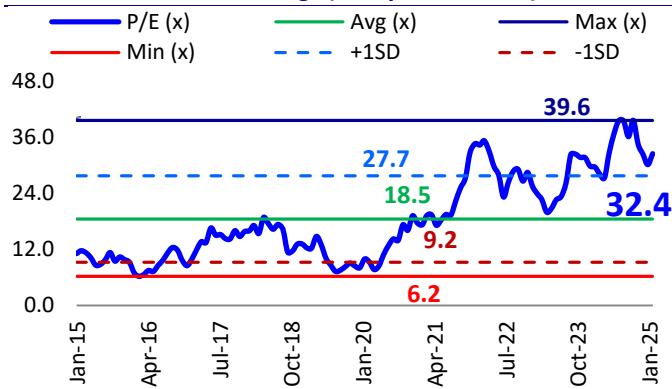
- Tractor industry to see a healthy growth in Q4FY25:** The near-term demand outlook is showing signs of improvement due to healthy monsoon, favorable crop prices, and government support. Most of the regions have started showing signs of improvement, especially some of the key margins in southern states, MH, and Eastern states (excl. Bihar). We estimate a 5% CAGR in ESCORTS' tractor volumes over FY25-27, given its focus on growing in the exports market and the likelihood of its key geographies doing better.
- Kubota parentage can unleash many synergies:** Kubota's parentage is expected to help ESCORTS improve its competitive positioning in: a) small tractors (less than 30HP), b) the export markets (by 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).
- Construction Equipment segment likely to take time to normalise:** The Construction Equipment industry has undergone an emission change to BS5 wef Jan2025. There would have been some prebuy due to this in Q4. Hence, offtake in Q4FY26 is likely to be muted. Further, given the current demand weakness, it is likely to take time for the price hike to be fully passed on to the consumers. Thus we expect the Construction Equipment industry to normalize gradually over the coming quarters. Post the 8% volume decline expected for FY25E, we expect Escorts to post about 8% volume growth in FY26E, that too back-ended. Also, margins could remain under pressure atleast in the near term till Escorts is able to fully pass on the impact of price hikes.
- Stock appears fairly valued:** The demand for domestic tractors is improving, with FY25 volumes expected to grow by 6-7%, driven by a healthy monsoon, favorable crop prices, and government support. While management remains optimistic about near-term demand and has completed channel inventory rationalization, regaining lost market share will be critical. The company has discontinued the railway division following its recent slump sale to Sona Comstar, and it is no longer part of our estimates. Along with lower gross

margins, this leads us to cut FY25E/26E consolidated EPS by ~15%/10%. While synergies between Escorts and Kubota are significant, they will likely materialize over the medium to long term. The stock is trading at a premium of ~32x/27x FY25E/26E EPS, compared to its 10-year average of ~18x, mainly due to the Kubota parentage. We maintain a Neutral rating on the stock with a target price of INR3,295, based on ~28x Dec-26 EPS.

**Exhibit 9: Revised forecast (Consol)**

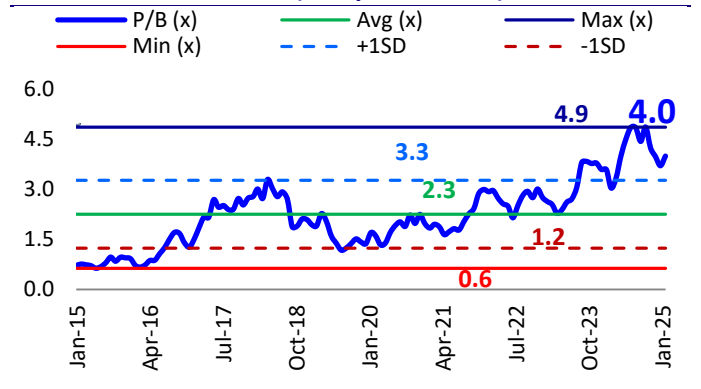
(INR M)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	97,887	1,11,576	-12.3	1,11,511	1,30,741	-14.7
EBITDA	10,895	13,177	-17.3	13,047	15,820	-17.5
EBITDA (%)	11.1	11.8	-70bp	11.7	12.1	-40bp
Adj. PAT	10,613	12,501	-15.1	12,591	13,950	-9.7
EPS (INR)	86.6	102.0	-15.1	102.7	113.8	-9.7

**Exhibit 10: Price-to-earnings (one-year forward)**



Source: MOFSL, Company

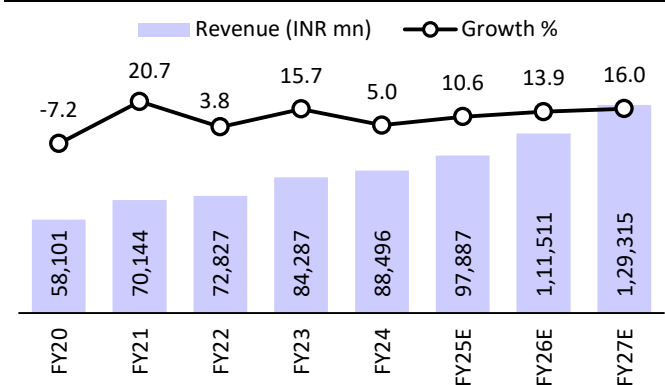
**Exhibit 11: Price-to-book (one-year forward)**



Source: MOFSL, Company

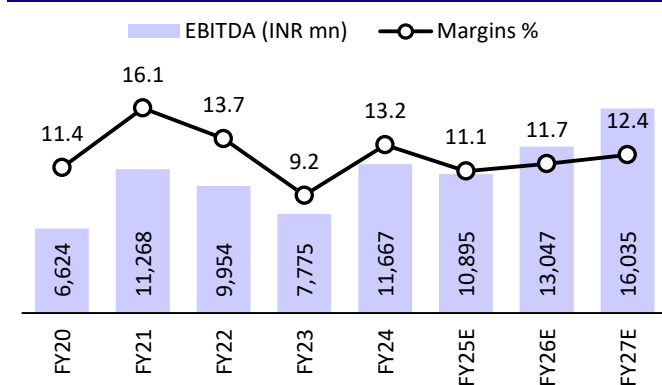
## Story in charts

**Exhibit 12: Revenue and revenue growth trends**



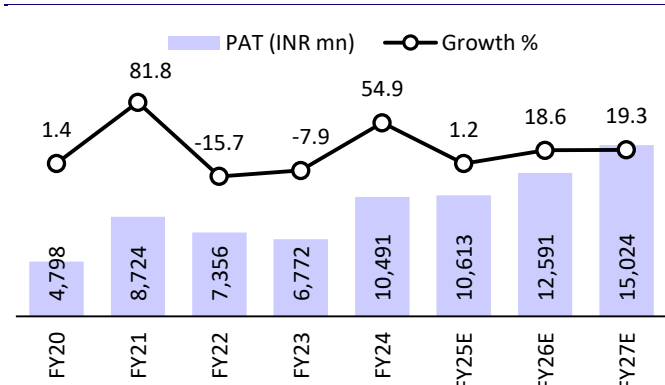
Source: MOFSL, Company

**Exhibit 13: EBITDA and EBITDA margin trajectories**



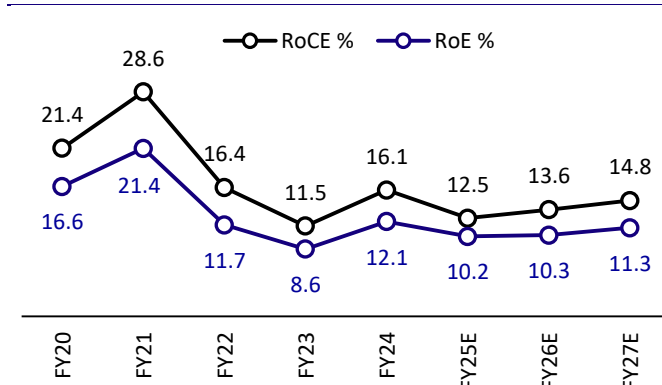
Source: MOFSL, Company

**Exhibit 14: PAT and PAT growth trends**



Source: MOFSL, Company

**Exhibit 15: RoE and RoCE trends**



Source: MOFSL, Company



## Financials and valuations

### Consolidated - Income Statement

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Total Income from Operations</b>	<b>58,101</b>	<b>70,144</b>	<b>72,827</b>	<b>84,287</b>	<b>88,496</b>	<b>97,887</b>	<b>1,11,511</b>	<b>1,29,315</b>
Change (%)	-7.2	20.7	3.8	15.7	5.0	10.6	13.9	16.0
<b>EBITDA</b>	<b>6,624</b>	<b>11,268</b>	<b>9,954</b>	<b>7,775</b>	<b>11,667</b>	<b>10,895</b>	<b>13,047</b>	<b>16,035</b>
Margin (%)	11.4	16.1	13.7	9.2	13.2	11.1	11.7	12.4
Depreciation	1,072	1,183	1,321	1,501	1,669	2,279	2,445	2,714
<b>EBIT</b>	<b>5,552</b>	<b>10,085</b>	<b>8,634</b>	<b>6,275</b>	<b>9,998</b>	<b>8,616</b>	<b>10,602</b>	<b>13,321</b>
Int. and Finance Charges	172	133	150	133	137	270	200	110
Other Income	976	1,604	1,738	2,809	3,986	4,410	5,950	6,300
<b>PBT bef. EO Exp.</b>	<b>6,356</b>	<b>11,555</b>	<b>10,222</b>	<b>8,951</b>	<b>13,847</b>	<b>12,756</b>	<b>16,352</b>	<b>19,511</b>
EO Items	-92	0	0	-531	0	0	0	0
<b>PBT after EO Exp.</b>	<b>6,263</b>	<b>11,555</b>	<b>10,222</b>	<b>8,421</b>	<b>13,847</b>	<b>12,756</b>	<b>16,352</b>	<b>19,511</b>
Current Tax	1,535	2,832	2,572	1,979	3,519	2,143	3,761	4,488
Deferred Tax	0	0	0	0	0	0	0	0
Tax Rate (%)	24.5	24.5	25.2	23.5	25.4	16.8	23.0	23.0
Less: Minority Interest	0	0	294	75	-164	0	0	0
<b>Reported PAT</b>	<b>4,728</b>	<b>8,724</b>	<b>7,356</b>	<b>6,367</b>	<b>10,491</b>	<b>10,613</b>	<b>12,591</b>	<b>15,024</b>
<b>Adjusted PAT</b>	<b>4,798</b>	<b>8,724</b>	<b>7,356</b>	<b>6,772</b>	<b>10,491</b>	<b>10,613</b>	<b>12,591</b>	<b>15,024</b>
Change (%)	1.4	81.8	-15.7	-7.9	54.9	1.2	18.6	19.3

### Consolidated - Balance Sheet

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	1,226	1,348	1,319	1,319	1,105	1,226	1,226	1,226
Total Reserves	29,948	48,913	74,680	80,548	90,658	1,15,309	1,25,571	1,37,898
<b>Net Worth</b>	<b>31,174</b>	<b>50,261</b>	<b>75,999</b>	<b>81,867</b>	<b>91,763</b>	<b>1,16,535</b>	<b>1,26,797</b>	<b>1,39,124</b>
Minority Interest	51	-9	-38	-39	-39	-39	-39	-39
Deferred Liabilities	307	233	373	646	1,149	1,149	1,149	1,149
Total Loans	192	17	0	0	0	0	0	0
<b>Capital Employed</b>	<b>31,724</b>	<b>50,502</b>	<b>76,334</b>	<b>82,475</b>	<b>92,873</b>	<b>1,17,645</b>	<b>1,27,907</b>	<b>1,40,234</b>
Gross Block	27,834	29,350	30,799	31,726	32,666	31,540	36,376	41,162
Less: Accum. Deprn.	10,608	11,388	12,389	13,613	14,502	16,781	19,226	21,940
<b>Net Fixed Assets</b>	<b>17,227</b>	<b>17,962</b>	<b>18,411</b>	<b>18,114</b>	<b>18,164</b>	<b>14,758</b>	<b>17,150</b>	<b>19,222</b>
Capital WIP	1,044	647	878	1,137	1,515	1,175	1,338	1,552
<b>Total Investments</b>	<b>7,974</b>	<b>19,380</b>	<b>48,358</b>	<b>48,465</b>	<b>52,746</b>	<b>84,746</b>	<b>90,746</b>	<b>98,746</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>23,895</b>	<b>30,792</b>	<b>23,431</b>	<b>33,137</b>	<b>40,244</b>	<b>37,507</b>	<b>42,073</b>	<b>47,850</b>
Inventory	8,834	7,182	8,466	12,177	12,181	11,360	12,868	14,838
Account Receivables	7,319	6,576	7,926	11,797	11,732	10,727	12,220	14,172
Cash and Bank Balance	3,249	13,218	2,718	4,719	11,790	10,424	11,489	12,796
Loans and Advances	4,494	3,817	4,320	4,445	4,542	4,996	5,495	6,045
<b>Curr. Liability &amp; Prov.</b>	<b>18,430</b>	<b>18,279</b>	<b>14,743</b>	<b>18,378</b>	<b>19,796</b>	<b>20,541</b>	<b>23,400</b>	<b>27,136</b>
Account Payables	16,867	16,771	13,341	16,912	18,198	18,773	21,386	24,800
Provisions	1,563	1,508	1,402	1,466	1,599	1,768	2,014	2,336
<b>Net Current Assets</b>	<b>5,465</b>	<b>12,513</b>	<b>8,687</b>	<b>14,760</b>	<b>20,448</b>	<b>16,966</b>	<b>18,673</b>	<b>20,714</b>
Deferred Tax assets	14	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>31,724</b>	<b>50,502</b>	<b>76,334</b>	<b>82,475</b>	<b>92,873</b>	<b>1,17,645</b>	<b>1,27,907</b>	<b>1,40,234</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>								
<b>EPS (ex treasury)</b>	<b>54.0</b>	<b>86.3</b>	<b>66.6</b>	<b>51.3</b>	<b>94.9</b>	<b>86.6</b>	<b>102.7</b>	<b>122.6</b>
BV/Share	350.7	497.0	687.8	620.5	830.4	950.7	1,034.4	1,135.0
DPS	2.5	7.5	7.0	7.0	18.0	16.0	19.0	22.0
Payout (%)	5.7	8.7	10.5	14.5	19.0	18.5	18.5	18.0
<b>Valuation (x)</b>								
P/E	61.2	38.3	49.6	64.4	34.8	38.2	32.2	27.0
P/BV	9.4	6.7	4.8	5.3	4.0	3.5	3.2	2.9
EV/Sales	5.0	5.6	5.5	4.8	4.4	4.0	3.5	3.0
EV/EBITDA	43.9	24.9	33.3	51.5	33.7	36.2	30.2	24.5
Dividend Yield (%)	0.1	0.2	0.2	0.2	0.5	0.5	0.6	0.7
FCF per share	50.2	75.3	-10.7	2.5	77.4	136.6	78.3	98.8
<b>Return Ratios (%)</b>								
RoE	16.6	21.4	11.7	8.6	12.1	10.2	10.3	11.3
RoCE	21.4	28.6	16.4	11.5	16.1	12.5	13.6	14.8
RoIC	20.2	41.5	31.0	18.3	27.1	29.8	35.8	39.9
<b>Working Capital Ratios</b>								
Asset Turnover (x)	1.8	1.4	1.0	1.0	1.0	0.8	0.9	0.9
Inventory (Days)	84	56	62	73	73	60	60	60
Debtor (Days)	46	34	40	51	48	40	40	40
Creditor (Days)	106	87	67	73	75	70	70	70
<b>Leverage Ratio (x)</b>								
Net Debt/Equity	-0.3	-0.6	-0.6	-0.6	-0.7	-0.8	-0.8	-0.8

### Consolidated - Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>(INR M)</b>								
OP/(Loss) before Tax	6,253	11,548	9,928	8,346	14,010	12,756	16,352	19,511
Depreciation	1,072	1,183	1,321	1,501	1,669	2,279	2,445	2,714
Interest & Finance Charges	0	0	-906	-1,620	-2,201	270	200	110
Direct Taxes Paid	-1,748	-2,527	-2,547	-1,864	-2,340	-2,143	-3,761	-4,488
(Inc)/Dec in WC	3,272	2,748	-6,526	-4,102	512	2,116	-642	-734
<b>CF from Operations</b>	<b>8,849</b>	<b>12,952</b>	<b>1,270</b>	<b>2,260</b>	<b>11,650</b>	<b>15,278</b>	<b>14,594</b>	<b>17,113</b>
Others	-877	-1,639	-948	-21	-1,328	0	0	0
<b>CF from Operating incl EO</b>	<b>7,972</b>	<b>11,313</b>	<b>323</b>	<b>2,239</b>	<b>10,322</b>	<b>15,278</b>	<b>14,594</b>	<b>17,113</b>
(inc)/dec in FA	-1,822	-1,157	-1,732	-1,904	-1,764	1,467	-5,000	-5,000
<b>Free Cash Flow</b>	<b>6,150</b>	<b>10,155</b>	<b>-1,409</b>	<b>336</b>	<b>8,558</b>	<b>16,745</b>	<b>9,594</b>	<b>12,113</b>
(Pur)/Sale of Investments	-2,390	-20,778	-17,898	1,167	-7,695	-32,000	-6,000	-8,000
Others	0	0	1,066	116	180	0	0	0
<b>CF from Investments</b>	<b>-4,212</b>	<b>-21,936</b>	<b>-18,564</b>	<b>-621</b>	<b>-9,279</b>	<b>-30,533</b>	<b>-11,000</b>	<b>-13,000</b>
Issue of Shares	0	10,576	19,021	206	135	16,121	0	0
Inc/(Dec) in Debt	-2,644	-221	-87	0	0	0	0	0
Interest Paid	-100	-76	-98	-91	-101	-270	-200	-110
Dividend Paid	-260	-245	-737	-757	-758	-1,961	-2,329	-2,697
<b>CF from Fin. Activity</b>	<b>-3,001</b>	<b>9,991</b>	<b>17,805</b>	<b>-712</b>	<b>-767</b>	<b>13,890</b>	<b>-2,529</b>	<b>-2,807</b>
<b>Inc/Dec of Cash</b>	<b>758</b>	<b>-632</b>	<b>-436</b>	<b>906</b>	<b>276</b>	<b>-1,366</b>	<b>1,065</b>	<b>1,307</b>
Opening Balance	931	1,689	1,057	622	1,528	1,804	438	1,504
<b>Closing Balance</b>	<b>1,689</b>	<b>1,057</b>	<b>622</b>	<b>1,528</b>	<b>1,804</b>	<b>438</b>	<b>1,504</b>	<b>2,810</b>

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