30 April 2025

4QFY25 Results Update | Sector: Automobile

CEAT

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	CEAT IN
Equity Shares (m)	40
M.Cap.(INRb)/(USDb)	134.8 / 1.6
52-Week Range (INR)	3581 / 2210
1, 6, 12 Rel. Per (%)	12/18/24
12M Avg Val (INR m)	659

Financials & valuations (INR b)

INR Billion	FY25	FY26E	FY27E
Sales	132.2	146.4	159.6
EBITDA	14.7	17.1	19.3
EBIDTA Margin (%)	11.2	11.7	12.1
Adj. PAT	4.9	6.8	8.6
EPS (Rs)	122.1	168.8	212.1
EPS Growth (%)	-27.9	38.2	25.7
BV/Share (Rs)	1,080	1,214	1,381
Ratios			
RoE (%)	11.7	14.7	16.4
RoCE (%)	11.0	12.8	14.4
Payout (%)	25.7	20.7	21.2
Valuations			
P/E (x)	27.1	19.6	15.6
P/BV (x)	3.1	2.7	2.4
Div. Yield (%)	0.9	1.1	1.4
FCF Yield (%)	1.2	9.8	6.6

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	47.2	47.2	47.2
DII	21.5	20.5	15.9
FII	15.3	15.8	20.2
Others	16.0	16.4	16.7

FII includes depository receipts

CMP: INR3,332 TP: INR3,818 (+15%) BUY

Margins set to improve with softening input costs

Replacement to be a key growth driver, expect a steady recovery in OE

- Ceat Ltd (CEAT)'s 4QFY25 performance was ahead of estimates as it posted 100bp margin expansion QoQ to 11.3% (vs. an estimate of 10.5%) led by a marginal reduction in input costs and price hikes taken in Q4. Management expects the international mix to improve to 26% from ~19% currently, fueled by the Camso acquisition, focus on OHT, and expanded distribution, especially in the US. This is not just expected to drive healthy growth but should also bode well for its overall profitability.
- CEAT's focus on strategic areas such as PVs/2Ws/OHT/exports (to help margins), along with prudent capex plans (to benefit FCF), should continue to improve its returns in the long run. **We reiterate our BUY rating on the stock with a TP of INR3,818 (based on ~18x FY27E EPS)**.

Decline in input costs and improved pricing boost margins

- CEAT's net sales grew 14.3% YoY (+3.7% QoQ) to INR34.2b (in line), primarily due to healthy YoY volume growth in the OEM and replacement segments.
- On a QoQ basis, the OEM segment was the key growth driver, while replacement and exports remained flat.
- However, international business was hurt both on a YoY and QoQ basis due to the adverse global macro environment.
- Realization improved both on a QoQ and YoY basis.
- **Segment mix**: Truck/bus 30%, 2/3Ws 27%, PV 21%, OHT 15%, Others 7%
- **Market mix**: Replacement 53%, OEM 28%, Exports 19%
- Gross margin improved 60bp QoQ (vs. estimate of flat GM QoQ) due to a flat RM basket and price hikes taken during the quarter.
- As a result of this and operating leverage benefits, EBITDA margin improved 100bp QoQ to 11.3%.
- Adjusted for VRS expenses, PAT declined 16% YoY (+31% QoQ) to INR1.26b – ahead of our estimate of INR1.1b.
- Working capital increased on a QoQ basis, which led to around INR950m increase in debt sequentially to INR19.3b. The D/E ratio stood at 0.44x, while the debt/EBITDA ratio came in at 1.29x.
- Capex for the quarter was INR2.4b, funded through internal accruals. The company has announced investments of INR4b toward capacity addition in Nagpur, which will increase the capacity by 30% by the end of FY28.
- For FY25, revenue grew 11% YoY to INR132b. EBITDA margin dipped 270bp YoY to 11.2%, primarily due to a rise in input costs. Adjusted PAT declined 28% YoY to INR4.9b.

Research analyst - Aniket Mhatre (Aniket.Mhatre@MotilalOswal.com)

Highlights from the management commentary

- **Domestic outlook**: Following a weak demand in FY25, management expects the CV OEM segment to post a mid-single-digit growth in FY26. PV OEM is likely to post a low single-digit growth. Moreover, the rural outlook is better than the urban outlook. Hence, given its distribution reach, the company expects to grow well in the 2W and farm segments. The OHT segment has also been facing headwinds over the last two years. With reducing input costs, management expects that the industry would be able to hold on to its pricing. Hence, management expects the gross margin to improve if this trend continues.
- **International business outlook.** It continues to see stable demand from key markets like Europe, Southeast Asia, and the Middle East. However, the company is seeing demand headwinds in markets such as Latin America and the US.
- **Tariff impact on Camso and international business:** As per the management, CEAT's exposure to the US (ex of Camso) is in the low single digits. For Camso, about 30% of its business exports to the US are from Sri Lanka. Of this, 15% of exposure comes from tracks and 15% from tyres. Sri Lanka has imposed a 44% reciprocal tariff on tyre imports to the US. While the reciprocal tariff has now been postponed by 90 days, given the ongoing dialogues with trading partners and global OEMs, management is confident that it would hear some positive solution on this front for the industry. However, track imports to the US attract about 4% duty only. Tracks are about 50% of Camso's revenue.
- **Update on capex and debt:** The company invested INR9.5b in capex in FY25, and it expects to invest INR9-10b for FY26 as well. Gross debt for FY25 stood at INR19.3b with D/EBITDA at 1.3x and D/E at 0.44x. Management indicated that debt may rise to INR30b levels in the coming years with D/EBITDA at ~2.4-2.5x.

Valuation and view

- The replacement segment is likely to continue to be the key growth driver. In OEMs, the outlook for 2Ws and tractors is healthy with a pick-up expected in the TBR segment. Following the integration of Camso, its international business contribution will rise to 25% from 19% currently. Given the reduction in input cost, we have raised our FY26/FY27 EPS estimate by 4%/8%.
- CEAT's focus on strategic areas such as PVs/2Ws/OHT/exports (to help margins), along with prudent capex plans (to benefit FCF), should continue to improve its returns in the long run. **We reiterate our BUY rating on the stock with a TP of INR3,818 (based on ~18x FY27E EPS).**

Consolidated - Quarterly Earnings Model **(INR m)**

Y/E March	FY24				FY25E				FY24	FY25	4QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Net Sales	**29,352**	**30,533**	**29,631**	**29,919**	**31,928**	**33,045**	**32,999**	**34,206**	**1,19,435**	**1,32,179**	**33,582**
YoY Change (%)	4.1	5.5	8.7	4.1	8.8	8.2	11.4	14.3	5.6	10.7	12.2
RM cost (%)	58.9	56.7	58.7	57.7	60.8	62.6	63.2	62.5	58.0	62.3	63.1
Employee cost (%)	6.7	7.1	7.3	7.2	6.1	6.6	6.5	6.6	7.1	6.5	6.5
Other expenses (%)	21.2	21.3	19.9	22.0	21.1	19.8	20.0	19.5	21.1	20.1	19.9
EBITDA	**3,871**	**4,561**	**4,175**	**3,915**	**3,829**	**3,623**	**3,409**	**3,881**	**16,522**	**14,741**	**3,531**
Margins (%)	13.2	14.9	14.1	13.1	12.0	11.0	10.3	11.3	13.8	11.2	10.5
Depreciation	1,209	1,245	1,273	1,361	1,318	1,371	1,415	1,523	5,088	5,627	1,442
Interest	701	717	656	617	619	665	751	744	2,691	2,778	748
Other Income	33	105	29	31	62	35	34	45	197	176	50
PBT before EO expense	**1,993**	**2,704**	**2,276**	**1,969**	**1,954**	**1,622**	**1,278**	**1,659**	**8,941**	**6,512**	**1,392**
Exceptional item	0	0	0	582	-75	0	0	370	582	-296	0
PBT	**1,993**	**2,704**	**2,276**	**1,387**	**2,029**	**1,621**	**1,278**	**1,288**	**8,359**	**6,808**	**1,392**
Tax Rate (%)	26.5	25.3	23.9	33.0	26.6	28.6	28.3	27.6	26.5	25.3	27.0
Minority Int. & Profit of Asso. Cos.	18	-59	-84	-157	-53	-61	-55	-63	-282	-231	-62
Reported PAT	**1,446**	**2,080**	**1,815**	**1,086**	**1,542**	**1,219**	**971**	**995**	**6,427**	**5,319**	**1,078**
Adj PAT	**1,446**	**2,080**	**1,815**	**1,513**	**1,487**	**1,219**	**971**	**1,267**	**6,854**	**5,101**	**1,078**
YoY Change (%)	1,383	745	408	8	3	-41	-46	-16	227	-26	-28.8

CONFERENCE CALL

Highlights from the management commentary

Result highlights

- Overall, volume growth in 4QFY25 stood at 11% YoY and 3.5% QoQ.
- For 4Q, OEM grew in strong double digits (mid 20%) and replacement grew in the high single digits on a YoY basis. However, exports have marginally declined YoY due to the adverse macro environment.
- On a YoY basis, within the replacement segment, TBR grew in double digits, 2W in high single digits, and PV in mid-single digits.
- On a QoQ basis, the OEM segment has grown in the mid-teens, and replacement and exports were flat.
- For FY25, volume growth stood at 7%. While the replacement segment grew in the high single digits, both OE and exports grew in the mid-single digits.
- In 4QFY25, CEAT saw an ASP growth of 2% QoQ – led by a price hike and improved mix. Management expects ASP to improve further in 1QFY26.
- Gross margin improved 60bp QoQ due to marginally lower input costs and price hikes taken in the 2W and PV segments.
- Employee costs increased INR100m QoQ partly due to the ramp-up of the Chennai TBR facility and also due to improved demand.
- While CEAT has showcased good cost control in other expenses, one has to remember that the same would see a spike in Q1 due to IPL expenses.

Growth outlook

- Post a weak demand in FY25, management expects the CV OEM segment to post mid-single-digit growth in FY26E.
- PV OEM is likely to post low single-digit growth
- The OHT segment has also been facing headwinds over the last 2 years now
- Further, the rural outlook is better than the urban outlook. Hence, given its distribution reach, the company expects to grow well in the 2W and farm segments.

Operational highlights

- In the long run, management expects the domestic tyre industry to record a 6-7% CAGR and exports to register a 10-11% CAGR
- Given its capacity ramp-up, the company is witnessing healthy gains in the TBR segment. It has a single-digit market share in TBR replacement, but the share is growing. CEAT's market share has improved to double digits in the TBR OEM segment.
- CEAT continues to be the market leader in the 2W segment and has a good share of business in the OE segment as well
- Their PV market share has been stable in FY25.
- In the PV segment, they have recently got new model approvals for higher rim sizes on > 14-inch tyres.
- To cater to the premiumization trends, CEAT has introduced high-end tyres which include Z-rated 12-inch radial tyre (for 300kmph speed), Calm technology (low noise for EVs), and run-flat (tyres that can run 80km on flat tyre before being impacted).

Update on input costs and pricing action

- After being stable in the range of USD1900-2k per MT for Q4, international rubber prices have reduced by USD 200 per MT over the last three weeks and are now at a discount to domestic prices by about INR7-8 per kg.
- Further, crude has now corrected to USD 65 per barrel from USD 75-80 levels in Q4. Management expects crude prices to remain in the USD65-70 range in the near term. Thus, prices for crude-based derivatives are expected to decline, especially from Q2FY25 onwards.
- Even USD-INR is now back to INR85.
- Hence, if all else remains stable, management expects a minor decline in input costs in 1Q and a further decline in 2Q.
- With reducing input costs, management expects that the industry would be able to hold on to its pricing and hence expects gross margins to improve if the trend continues.

Update on Camso and international businesses

Update on Camso acquisition

- CEAT will start consolidating Camso from Q2 onwards, once all approvals are in
- The integration process has started and the focus would be initially to ensure business continuity. Hence, this business is expected to take a few quarters to stabilize operations. Over the medium to long term, management is confident that this would be a margin-accretive business.
- Post-Camso integration, international business would increase to 25% of CEAT revenues – that too at just 50% utilization at Camso. This will further ramp up once the company ramps up Camso to its full potential in the coming years

Tariff impact on Camso and international businesses

- As per the management, CEAT's exposure to the US (ex of Camso) is in the low single digits. However, North America would remain one of the key opportunity markets for CEAT in the long run and hence they would continue to invest in the same going forward

- Almost 90% of Camso’s business comes from North America and Europe
- For Camso, about 30% of its business exports to the US from Sri Lanka. Of this, 15% comes from tracks and 15% from tyres.
- Sri Lanka has imposed a 44% reciprocal tariff on tyre imports to the US. The reciprocal tariff has now been postponed by 90 days given the ongoing trade dialogues with trading partners. Given the ongoing dialogues with trading partners and global OEMs, management is confident that they would hear some positive solutions on this front for the industry
- However, track imports to US attract about 4% duty only. Tracks are about 50% of Camso's revenue.

International business outlook

- The company continues to see stable demand from key markets like Europe, Southeast Asia, and the Middle East.
- CEAT is seeing headwinds in exports in markets like Latin America where currency has depreciated.
- Even demand from the US is weak given the uncertainty on tariffs
- Given that OE demand continues to be subdued in some of these markets, they need to rely on replacement demand in the near term

Update on capex and debt

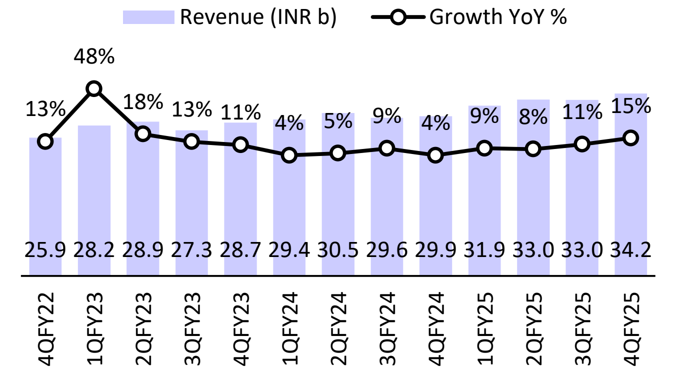
- They have invested INR9.5b in capex in FY25 and expect to invest INR9-10b for FY26 as well.
- Gross debt for FY25 stands at INR19.3b with D/EBITDA at 1.3x and D / E at 0.44x
- The debt level is likely to rise further as they would pay for the Camso acquisition in the coming quarters. Of the USD 225mn acquisition, about 20% of the amount can be paid after 3-3.5 years and there is some consideration for finished goods inventory once they take stock of the same.
- They may have to add some key upstream equipment in Camso. Including this and regular maintenance, they may need to invest INR1.0-1.25b in the first two years in Camso.
- Management has indicated that debt may increase to INR30b levels in the coming years with D / EBITDA at about 2.4-2.5x

Other highlights

- CEAT has announced VRS at one of its old plants wherein about 100 employees have accepted the same. The VRS cost of INR370m has been accounted as exceptional in 4Q.
- CEAT has announced an annual dividend of INR30 per share (flat YoY)
- In terms of segmental margins, international and replacement margins are good and at similar levels relative to OEM margins. Further, 2W margins are better than PVs

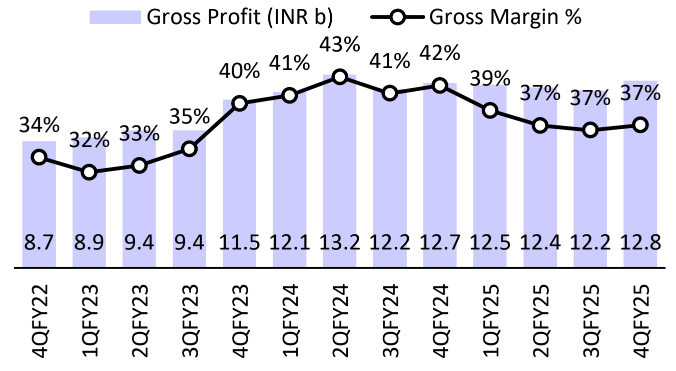
Key exhibits

Exhibit 1: Trend in revenue



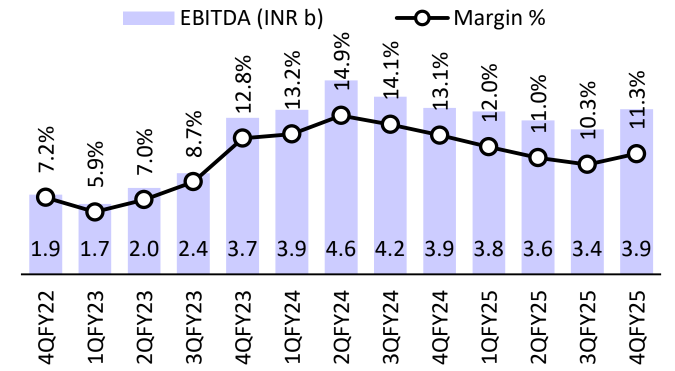
Source: MOFSL, Company

Exhibit 2: Trend in gross margin



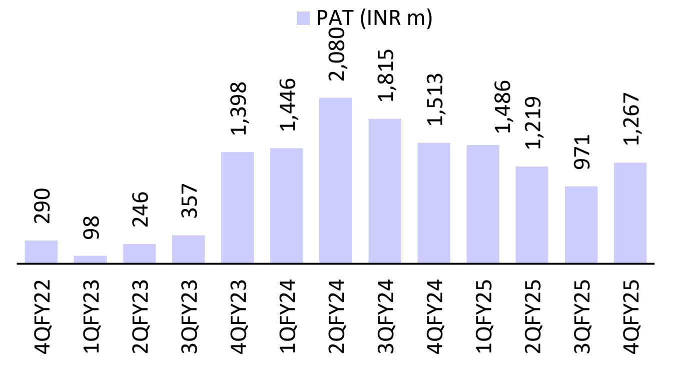
Source: MOFSL, Company

Exhibit 3: EBITDA and EBITDA margin trends



Source: MOFSL, Company

Exhibit 4: Absolute PAT trend



Source: MOFSL, Company

Valuation and view

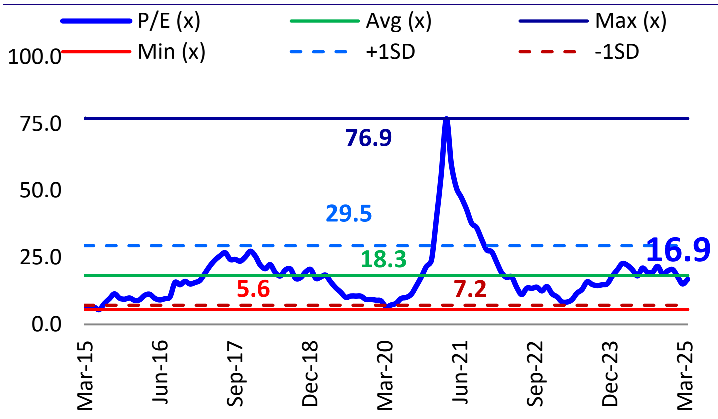
- **Focus on improving brand equity to drive market share gains:** CEAT has placed a strong emphasis on effective marketing and branding (~2.0-2.5% of sales) for its products. To position its products competitively, it has developed creative advertising campaigns based on research and consumer insights and has invested in innovative marketing programs. Since the 2W and Passenger Car segments are consumer-facing, factors such as brand loyalty, visibility, and recall play a significant role in creating replacement market demand and improving market share. This, in turn, would benefit its margin profile.
- **The ramp-up in strategic focus areas to continue**: Management has identified the 2W, Passenger Car, and OTR (off-road) tire segments as strategic focus areas, given their abilities to boost margin and lower CEAT's dependence on the Truck segment. Revenue contribution from these focus areas has surged over the years (to 63% in FY25 from a mere 20% in FY10). This is also reflected in the market share gain in the PCR segment (over 17% now from 11% a few years back). Even in the 2W replacement segment, CEAT continues to enjoy a very high market share of 35% currently. Moreover, it has ramped up its presence in EVs with a current market share of 30% in 2Ws and 20% in PVs.

- **Healthy growth outlook mainly led by replacement demand:** Given a balanced presence across key segments, management expects steady growth from most of these segments: 1) strong volume growth from the TBR replacement segment; 2) steady PCR volume growth; 3) the 2W segment growth expected mainly from small towns; 4) export contribution to increase to 26% in the next couple of years from 19% currently, backed by its recent initiatives. Overall, we expect CEAT to clock a revenue/EBITDA/PAT CAGR of ~10%/14%/32% over FY25-27E.
- **Valuation and view:** The replacement segment is likely to continue to be the key growth driver. In OEMs, the outlook for 2Ws and tractors is healthy with a pick-up expected in the TBR segment. Following the integration of Camso, its international business contribution will rise to 25% from 19% currently. Given the reduction in input cost, we have raised our FY26/FY27 EPS estimate by 4%/8%. CEAT's focus on strategic areas such as PV/2W/OHT/exports (to help margins), along with prudent capex plans (to benefit FCF), should continue to improve its returns in the long run. **Hence, we reiterate our BUY rating on the stock with a TP of INR3,818 (based on ~18x FY27E EPS).**

Exhibit 5: Changes to our estimates

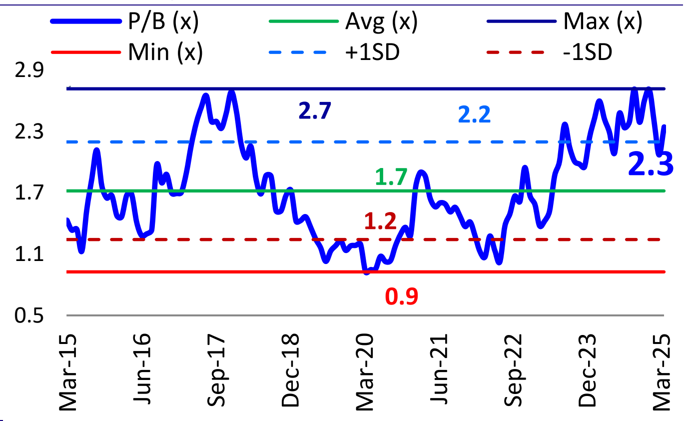
(INR m)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,46,388	1,40,895	3.9	1,59,612	1,50,898	5.8
EBITDA	17,127	16,485	3.9	19,313	18,259	5.8
EBITDA (%)	11.7	11.7	0bp	12.1	12.1	0bp
Adj. PAT	6,827	6,538	4.4	8,581	7,940	8.1
EPS (INR)	168.8	161.6	4.4	212.1	196.3	8.1

Exhibit 6: One-year forward P/E



Source: MOFSL, Company

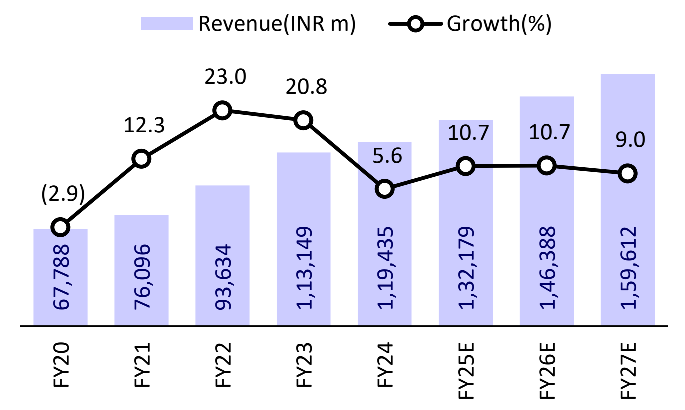
Exhibit 7: One-year forward P/B band



Source: MOFSL, Company

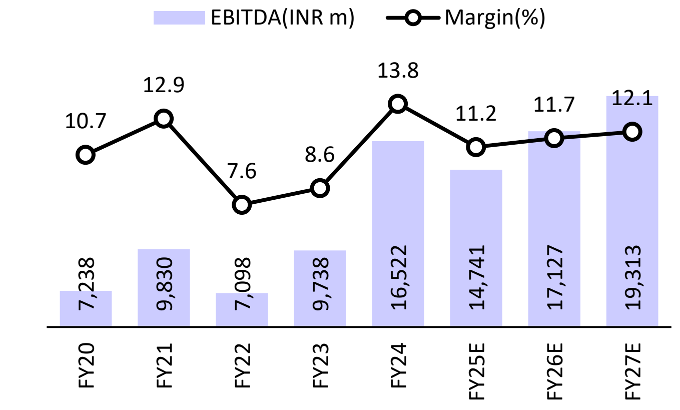
Story in charts

Exhibit 8: Revenue and growth trends



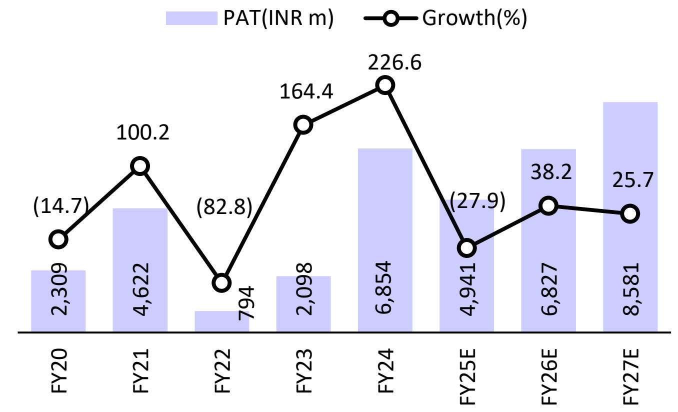
Source: MOFSL, Company

Exhibit 9: EBITDA and EBITDA margin trends



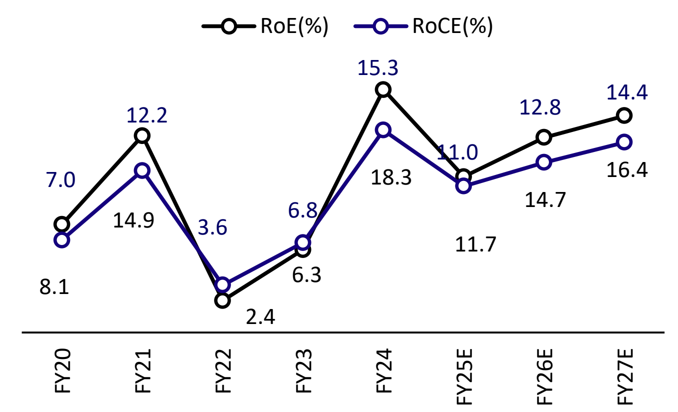
Source: MOFSL, Company

Exhibit 10: PAT and PAT growth trends



Source: MOFSL, Company

Exhibit 11: Trend in return profile



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Revenues from Ops	**67,788**	**76,096**	**93,634**	**1,13,149**	**1,19,435**	**1,32,179**	**1,46,388**	**1,59,612**
Change (%)	-2.9	12.3	23.0	20.8	5.6	10.7	10.7	9.0
EBITDA	**7,238**	**9,830**	**7,098**	**9,738**	**16,522**	**14,741**	**17,127**	**19,313**
EBITDA Margin (%)	10.7	12.9	7.6	8.6	13.8	11.2	11.7	12.1
Depreciation	2,765	3,396	4,352	4,693	5,088	5,627	6,043	6,362
EBIT	**4,473**	**6,433**	**2,746**	**5,045**	**11,434**	**9,115**	**11,084**	**12,951**
EBIT Margin (%)	6.6	8.5	2.9	4.5	9.6	6.9	7.6	8.1
Int. and Finance Charges	1,509	1,755	2,070	2,421	2,691	2,778	2,582	2,192
Other Income	205	138	114	169	197	176	400	500
PBT bef. EO Exp.	**3,169**	**4,816**	**790**	**2,793**	**8,941**	**6,512**	**8,902**	**11,258**
EO Items	5	-341	-129	-334	-582	-296	0	0
PBT after EO Exp.	**3,174**	**4,476**	**661**	**2,459**	**8,359**	**6,216**	**8,902**	**11,258**
Total Tax	1,046	516	243	718	2,214	1,720	2,315	2,927
Tax Rate (%)	33.0	11.5	36.7	29.2	26.5	27.7	26.0	26.0
Minority Int./Share JV PAT	-184	-361	-294	-120	-282	-231	-240	-250
Reported PAT	**2,312**	**4,320**	**712**	**1,862**	**6,427**	**4,726**	**6,827**	**8,581**
Adjusted PAT	**2,309**	**4,622**	**794**	**2,098**	**6,854**	**4,941**	**6,827**	**8,581**
Change (%)	-14.7	100.2	-82.8	164.4	226.6	-27.9	38.2	25.7
Margin (%)	3.4	6.1	0.8	1.9	5.7	3.7	4.7	5.4

Consolidated - Balance Sheet

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	405	405	405	405	405	405	405	405
Total Reserves	28,675	32,758	32,324	33,992	40,022	43,281	48,693	55,453
Net Worth	**29,079**	**33,163**	**32,728**	**34,396**	**40,426**	**43,685**	**49,097**	**55,858**
Minority Interest	237	232	235	174	97	77	77	77
Total Loans	18,772	14,176	20,968	20,927	16,289	21,364	18,364	15,364
Deferred Tax Liabilities	2,744	2,800	3,177	3,886	4,245	5,201	5,201	5,201
Capital Employed	**50,832**	**50,371**	**57,108**	**59,383**	**61,057**	**70,327**	**72,739**	**76,499**
Gross Block	49,795	58,732	67,748	80,110	86,717	99,476	1,08,902	1,18,328
Less: Accum. Deprn.	8,197	11,097	14,456	19,149	24,237	29,864	35,907	42,270
Net Fixed Assets	**41,598**	**47,634**	**53,292**	**60,961**	**62,480**	**69,612**	**72,995**	**76,058**
Goodwill on Consolidation	0	0	0	0	231	231	231	231
Capital WIP	10,685	7,929	8,759	5,961	6,835	5,375	5,375	5,375
Total Investments	**1,837**	**2,101**	**1,792**	**1,696**	**1,821**	**1,951**	**1,951**	**4,151**
Curr. Assets, Loans&Adv.	**19,410**	**23,087**	**27,176**	**27,519**	**28,314**	**34,954**	**42,782**	**45,702**
Inventory	9,257	11,299	13,096	11,378	11,505	14,115	15,536	16,863
Account Receivables	6,744	9,216	11,543	13,070	12,832	16,533	18,048	19,678
Cash and Bank Balance	342	431	363	719	591	479	6,271	5,968
Loans and Advances	3,067	2,141	2,174	2,353	3,386	3,826	2,928	3,192
Curr. Liability & Prov.	**22,697**	**30,380**	**33,910**	**36,754**	**38,623**	**41,797**	**50,596**	**55,018**
Account Payables	11,948	18,395	21,576	22,683	23,321	27,402	30,102	32,672
Other Current Liabilities	9,114	10,444	10,654	12,154	13,462	12,083	17,567	19,153
Provisions	1,635	1,541	1,680	1,917	1,840	2,312	2,928	3,192
Net Current Assets	**-3,288**	**-7,293**	**-6,734**	**-9,234**	**-10,310**	**-6,843**	**-7,814**	**-9,316**
Appl. of Funds	**50,832**	**50,371**	**57,108**	**59,383**	**61,057**	**70,327**	**72,739**	**76,499**

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	**57.1**	**114.3**	**19.6**	**51.9**	**169.4**	**122.1**	**168.8**	**212.1**
Cash EPS	125.4	198.2	127.2	167.9	295.2	261.2	318.2	369.4
BV/Share	718.9	819.8	809.1	850.3	999.4	1,080.0	1,213.8	1,380.9
DPS	12.0	18.0	3.0	12.0	30.0	30.0	35.0	45.0
Payout (%)	25.3	16.9	17.0	26.1	18.9	25.7	20.7	21.2
Valuation (x)								
P/E	53.5	26.7	155.7	58.9	18.0	27.1	19.6	15.6
Cash P/E	24.3	15.4	24.0	18.2	10.3	12.7	10.4	9.0
P/BV	4.2	3.7	3.8	3.6	3.1	3.1	2.7	2.4
EV/Sales	2.1	1.8	1.5	1.3	1.2	1.2	1.0	0.9
EV/EBITDA	19.6	14.0	20.3	14.8	8.4	10.5	8.5	7.4
Dividend Yield (%)	0.4	0.6	0.1	0.4	1.0	0.9	1.1	1.4
Return Ratios (%)								
RoE	8.1	14.9	2.4	6.3	18.3	11.7	14.7	16.4
RoCE (post tax)	7.0	12.2	3.6	6.8	15.3	11.0	12.8	14.4
RoIC	8.4	14.6	4.0	7.4	16.3	11.5	13.5	16.0
Working Capital Ratios								
Fixed Asset Turnover (x)	1.4	1.3	1.4	1.4	1.4	1.3	1.3	1.3
Asset Turnover (x)	1.3	1.5	1.6	1.9	2.0	1.9	2.0	2.1
Inventory (Days)	50	54	51	37	35	39	39	39
Debtor (Days)	36	44	45	42	39	46	45	45
Creditor (Days)	64	88	84	73	71	76	75	75
Leverage Ratio (x)								
Current Ratio	0.9	0.8	0.8	0.7	0.7	0.8	0.8	0.8
Interest Cover Ratio	3.0	3.7	1.3	2.1	4.2	3.3	4.3	5.9
Net Debt/Equity	0.6	0.4	0.6	0.6	0.4	0.5	0.2	0.2

Consolidated - Cash Flow Statement (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	2,871	4,476	661	2,459	8,359	6,216	8,902	11,258
Depreciation	2,765	3,396	4,352	4,693	5,088	5,627	6,043	6,362
Interest & Finance Charges	1,509	1,755	2,070	2,421	2,691	2,778	2,182	1,692
Direct Taxes Paid	-181	-512	-200	377	-1,630	-908	-2,315	-2,927
(Inc)/Dec in WC	2,582	4,516	-736	2,211	2,674	-2,909	6,762	1,200
CF from Operations	**9,546**	**13,631**	**6,147**	**12,161**	**17,183**	**10,804**	**21,575**	**17,586**
Others	17	-54	42	-106	10	116	0	0
CF from Operating incl EO	**9,563**	**13,577**	**6,189**	**12,055**	**17,193**	**10,920**	**21,575**	**17,586**
(Inc)/Dec in FA	-11,183	-6,395	-9,558	-8,779	-8,668	-9,426	-9,426	-9,426
Free Cash Flow	**-1,620**	**7,182**	**-3,369**	**3,276**	**8,525**	**1,494**	**12,149**	**8,161**
(Pur)/Sale of Investments	9	-27	-89	-11	-47	-3	0	-2,200
Others	419	241	203	299	178	204	400	500
CF from Investments	**-10,755**	**-6,181**	**-9,444**	**-8,491**	**-8,537**	**-9,224**	**-9,026**	**-11,126**
Inc/(Dec) in Debt	3,854	-5,677	5,821	-41	-4,638	-506	-3,000	-3,000
Interest Paid	-1,925	-1,628	-1,944	-2,093	-2,669	-2,446	-2,582	-2,192
Dividend Paid	-1,139	-4	-746	-126	-485	-1,214	-1,416	-1,820
Others	0	0	0	-936	-918	2,398	240	250
CF from Fin. Activity	790	-7,309	3,132	-3,195	-8,710	-1,767	-6,758	-6,763
Inc/Dec of Cash	**-402**	**87**	**-123**	**368**	**-55**	**-72**	**5,791**	**-302**
Opening Balance	675	274	361	238	606	552	479	6,271
Closing Balance	**274**	**361**	**238**	**606**	**552**	**479**	**6,271**	**5,968**

Explanation of Investment Rating	
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

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