18 July 2025
1QFY26 Results Update | Sector: Automobile

CEAT

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	CEAT IN
Equity Shares (m)	40
M.Cap.(INRb)/(USDb)	154.8 / 1.8
52-Week Range (INR)	4049 / 2322
1, 6, 12 Rel. Per (%)	5/19/37
12M Avg Val (INR M)	708

Financials & valuations (INR b)

INR Billion	FY25	FY26E	FY27E
Sales	132.2	146.4	162.5
EBITDA	14.7	17.7	20.5
EBIDTA Margin (%)	11.2	12.1	12.6
Adj. PAT	4.9	6.8	9.3
EPS (INR)	122.1	169.3	229.8
EPS Growth (%)	-27.9	38.6	35.8
BV/Share (INR)	1,080	1,214	1,394
Ratios			
RoE (%)	11.7	14.8	17.6
RoCE (%)	11.0	13.2	15.3
Payout (%)	25.7	20.7	21.8
Valuations			
P/E (x)	31.3	22.6	16.7
P/BV (x)	3.5	3.2	2.7
EV / EBITDA (x)	11.9	9.7	8.3
Div. Yield (%)	0.8	0.9	1.3

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: INR3,827 TP: INR4,393 (+15%) Buy

Margins to expand going forward

Expects to close the Camso acquisition in Q2

- CEAT's Q1FY26 earnings stood at INR1.15b, below our estimate of INR1.5b, impacted by lower-than-expected margins, higher interest costs, and lower other income. The company, however, continues to outperform in its key segments. Margins are expected to improve from Q2 as the benefits of softening input costs are likely to be visible.
- CEAT's focus on strategic areas such as PVs/2Ws/OHT/exports (to support margins), coupled with prudent capex plans (to benefit FCF), is expected to drive improved returns in the long run. **We reiterate our BUY rating on the stock with a TP of INR4,393 (based on ~18x June27E EPS)**.

Earnings miss due to lower margins and higher interest burden

- CEAT's Q1FY26 earnings at INR1.15b were below our estimate of INR1.5b, impacted by lower-than-expected margins, higher interest costs, and lower other income.
- Net sales grew 10.5% YoY to INR35b (in line) in 1QFY26, aided by healthy YoY volume growth, mainly for the OEM and replacement segments.
- OEM's volume growth was driven by strong performance across all segments. International volumes remained flat due to macro headwinds. Realizations improved on a 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 contracted ~250bp YoY/68bp QoQ to 36.8% due to higher RM costs YoY.
- EBITDA margin contracted 100bp YoY (down 30bp QoQ) at 11.0%, below our estimate of 11.5%. While the input cost basket was flat QoQ, margin contracted 30bp QoQ due to lower ASP and higher marketing spends in 1Q.
- Interest burden was also higher than expected at INR821m (est. INR650m).
- Other income was lower at INR47m vs. our estimate of INR70m.
- Adjusted for VRS expense of INR32.9m, PAT declined 23% YoY to INR1.15b, below our estimate of INR1.5b.
- Capex for 1Q stood at INR2.3b and was funded by internal accruals.
- In 1Q, CEAT repaid debt to the tune of INR1.12b, bringing total debt down to INR18.1b. D/E stood at 0.40x, while debt/EBITDA stood at 1.21x (stable QoQ).

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Highlights from the management commentary

- **Domestic outlook**: Management expects to post double-digit revenue growth for FY26, led by sustained high growth in the replacement segment for 2Ws and CVs through the year. However, PV replacement is likely to remain muted. Overall, it expects to record high single-digit volume growth in 2Ws, mid-single-digit growth in CVs, and low-single-digit growth in PVs. OEM demand may taper off compared to Q1 levels. However, given its new wins and ramp-up in higher sizes, CEAT is expected to outperform the industry. It expects high single-digit growth in both PCR and TBR within the OEM segment.
- **International business outlook:** Channel destocking has paused, likely improving demand sentiment in the coming quarters. Management expects a gradual pick-up in agri and radial OEM demand in Europe, with the PCR segment demand also stabilizing. In the non-specialty business, Africa is witnessing healthy demand, while challenges persist in Latin America (currency depreciation) and the Middle East (a key market for CEAT). However, demand sustainability will be contingent on how tariffs settle for different regions.
- **Guidance on input costs:** While input costs were stable QoQ in Q1, management expects a 1-2% QoQ decline in Q2. Further, with improving demand macro, the export mix is likely to improve in coming quarters, thereby supporting margin expansion.
- **Update on Camso:** Sri Lanka currently faces a 30% reciprocal tariff (covering both tyres and tracks) on exports to the US, effective 1st August, marking a decline from 44% earlier. Ongoing negotiations between the two nations may lead to further reductions. If tariffs remain unchanged, CEAT plans to shift part of the tyre production to India to leverage any relative tariff advantage for exports to the US. However, the track production will continue to be based in Sri Lanka.
- **Update on capex and debt:** The company has already invested capex of INR2.3b in Q1, which is in line with its FY26 annual capex guidance of about INR9.5-10b (including maintenance). The consolidated debt currently stands at INR18.1b. Management expects this to inch up to INR35-36b by FY26 end. This will be driven by: 1) outflows related to Camso; 2) partial funding of capex; and 3) dividend payouts.

Valuation and view

- The replacement segment is expected to remain the key growth driver. In OEMs, the outlook appears healthy for 2Ws and tractors, with a pick-up anticipated in the TBR segment. Following the integration of Camso, the international business contribution will rise to 25% from 19% currently.
- CEAT's focus on strategic areas such as PVs/2Ws/OHT/exports (to support margins), coupled with prudent capex plans (to benefit FCF), is expected to drive improved returns in the long run. **We reiterate our BUY rating on the stock with a TP of INR4,393 (based on ~18x June27E EPS).**

Consolidated - Quarterly Earnings Model (INR M)

Y/E March	FY25				FY26E				FY25	FY26E	FY26
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
Net Sales	**31,928**	**33,045**	**32,999**	**34,206**	**35,294**	**36,350**	**36,629**	**38,115**	**1,32,179**	**1,46,388**	**35,440**
YoY Change (%)	8.8	8.2	11.4	14.3	10.5	10.0	11.0	11.4	10.7	10.7	11.0
RM cost (%)	60.8	62.6	63.2	62.5	63.2	62.0	61.5	60.6	62.3	61.8	62.0
Employee cost (%)	6.1	6.6	6.5	6.6	6.4	6.2	6.1	6.1	6.5	6.2	6.2
Other expenses (%)	21.1	19.8	20.0	19.5	19.4	20.0	20.0	20.2	20.1	19.9	20.3
EBITDA	**3,829**	**3,623**	**3,409**	**3,881**	**3,877**	**4,289**	**4,542**	**5,004**	**14,741**	**17,713**	**4,076**
Margins (%)	12.0	11.0	10.3	11.3	11.0	11.8	12.4	13.1	11.2	12.1	11.5
Depreciation	1,318	1,371	1,415	1,523	1,514	1,525	1,550	1,561	5,627	6,149	1,450
Interest	619	665	751	744	821	700	650	610	2,778	2,781	650
Other Income	62	35	34	45	47	45	50	78	176	220	70
PBT before EO expense	**1,954**	**1,622**	**1,278**	**1,659**	**1,590**	**2,109**	**2,392**	**2,911**	**6,512**	**9,003**	**2,046**
Exceptional item	-75	0	0	370	33	0	0	0	-296	0	0
PBT	**2,029**	**1,621**	**1,278**	**1,288**	**1,558**	**2,109**	**2,392**	**2,911**	**6,808**	**9,003**	**2,046**
Tax Rate (%)	26.6	28.6	28.3	27.6	26.9	26.0	26.0	25.8	25.3	26.0	26.0
Minority Int. & Profit of Asso. Cos.	-53	-61	-55	-63	14	-68	-61	-70	-231	-185	-55
Reported PAT	**1,542**	**1,219**	**971**	**995**	**1,125**	**1,629**	**1,831**	**2,230**	**5,319**	**6,847**	**1,569**
Adj PAT	**1,486**	**1,219**	**971**	**1,267**	**1,149**	**1,629**	**1,831**	**2,230**	**5,101**	**6,847**	**1,569**
YoY Change (%)	3	-41	-46	-16	-23	34	89	76	-26	34	5.6

CONFERENCE CALL

Highlights from the management commentary

Result highlights

- Overall volume growth for Q1 stood at 9% YoY, led by healthy growth in OEM, steady growth in replacement, and flat exports.
- The replacement segment recorded high single-digit growth, led by strong demand in the TBR segment, particularly from the mining and construction segments. CEAT also saw double-digit growth in 2W replacement demand (higher in scooters than bikes). However, PV replacement demand was muted, declining to low single digits
- The OEM segment grew in the early 20s, driven by strong new order wins. The farm tyre OEM segment grew in mid-single digits.
- In exports, demand was weak in Europe across both the PCR and TBR segments due to geopolitical headwinds.
- ASP declined QoQ due to an adverse mix in exports, led by: 1) weak demand in Europe (higher ASP/margin region), and 2) a one-time large private-label order with lower ASP.
- EBITDA margin declined 60bp QoQ due to: 1) flat input costs QoQ; 2) weaker mix within exports; 3) partial absorption of tariffs in the US; 4) higher marketing spends due to IPL; and 5) weaker exports and replacement mix.
- Interest burden was high as average debt in Q1 was higher, with an average interest cost of 8%. Additionally, interest paid on security deposits accounted for 25% of the total interest burden.
- Share of profit from associates and JVs turned negative as the SL JV paid a dividend to the parent slightly exceeding the annual PAT, triggering withholding tax, which was adjusted in consolidated numbers.

Demand outlook - Domestic

- Management expects long-term demand for the domestic tyre industry to grow at a high single digit till FY31.
- For FY26, management expects to deliver double-digit revenue growth. It also expects continued strong growth in the replacement segment for 2Ws and CVs through the year. However, PV replacement is likely to remain muted. Overall, it expects to post high single-digit volume growth in 2Ws, mid single-digit growth in CVs, and low single-digit growth in PVs.
- OEM demand may taper off compared to Q1 levels. However, given the new wins and ramp-up in higher sizes, CEAT should outperform the industry. It expects to grow in high single digits in both PCR and TBR in OEMs.

Demand outlook - Exports

- Channel destocking has paused, likely leading to positive demand sentiment for the coming quarters.
- Management expects a gradual pick-up in agri and radial OEM demand in Europe over the coming quarters. It also expects the PCR segment demand to stabilize.
- In the non-specialty business, Africa witnessed demand growth, while challenges still persist in Latin America (currency depreciation) and the Middle East (key market for CEAT).

- However, demand sustainability will be contingent on how tariffs settle for different regions.

Market positioning

- In the two-wheeler segment, CEAT has established a strong position in the domestic market and continued to gain share in Q1. Given this, management does not expect quantum improvement in share from here. It continues to hold a strong share in the 2W commute segment. It is now focusing on the fast-growing higher cc segment (radial tyres), which currently accounts for 5% of the industry.
- In the PV replacement tyre segment, which is highly competitive, CEAT is nearing its all-time high market share. It has gained shares in both the replacement and OE categories in the PV segment in Q1. It is focusing on the premium segment, given its robust growth. This market currently accounts for 10-11% of the industry but is expected to improve to 25-30% in the next 3-5 years. Additionally, CEAT is likely to continue to witness strong single-digit growth in PVs going forward, according to management, based on its new order wins.
- It continues to hold a dominant share in PV EVs at 32%. It also has a strong presence in 2W EVs. Its share has declined to 12% but is expected to revive in the coming quarters.

Update on input costs

- International natural rubber prices have corrected by USD 200 to USD 1700 per MT. Given 60% of total rubber procurement for CEAT is from exports, it stands to benefit from this. However, the benefit is likely to be partially offset by rising rubber prices in India (to INR 200 per kg from INR 180 per kg) due to the demand-supply gap.
- However, even crude prices are lower at USD 69 per barrel. On the other hand, INR has appreciated vs USD by about 1%.
- Overall, management expects the raw material basket to reduce by 1-2% QoQ in Q2.
- With improving demand macro, the export mix is likely to improve in the coming quarters.

Update on Camso

- Management expects to close the Camso acquisition in Q2.
- Sri Lanka currently faces a 30% reciprocal tariff (this includes both tyres and tracks) on exports to the US, effective from 1st August, declining from the earlier 44%. With ongoing negotiations between the two nations, further reductions are expected.
- If tariffs remain unchanged, CEAT is planning to shift part of the tyre production to India to leverage any relative advantage for exports to the US. However, the track production will continue to be based in Sri Lanka.
- According to management, Camso holds no disadvantage compared to competition from China/Canada/Vietnam/India. However, the sharp tariff increase is likely to lead to demand weakness in the US.

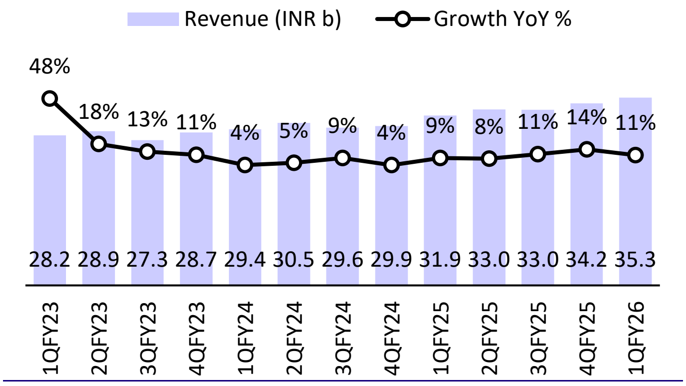
- Revenue from Camso currently stands at USD150mn, with historically mid-teen margins.

Update on capex and debt

- Capacity utilization at CEAT currently stands at 80%+.
- The company has already invested INR2.3b in capex in Q1, which is in line with its annual capex guidance for FY26 of about INR9.5-10b (including maintenance). This includes the new capex approved by the Board worth INR4.5b for the PCR capacity in Chennai. However, capex outflow for this project is unlikely to be material in FY26E.
- Maintenance capex for CEAT stands at INR2-2.5b pa.
- Maintenance capex for Camso (including SL JV) is likely to be under INR1b for FY26.
- However, it intends to set up an upstream capex (INR1.5-2b, spread over two years) in Sri Lanka for Camso, enabling independent manufacturing of all tyre and track sizes.
- Consolidated debt currently stands at INR18.1b. Management expects this to inch up to INR35-36b by FY26-end. This will be driven by: 1) outflows related to Camso; 2) partial funding of capex; and 3) dividend payouts.

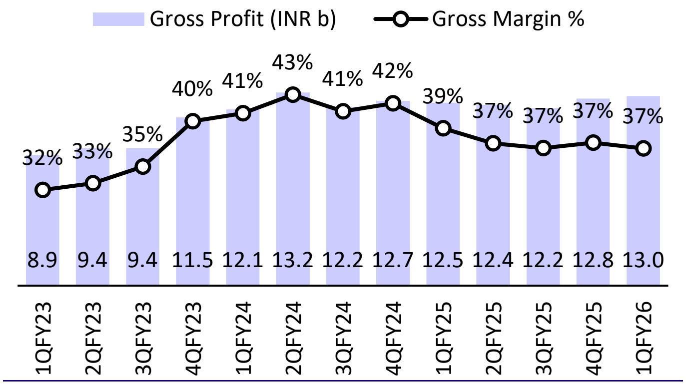
Key exhibits

Exhibit 1: Trend in revenue



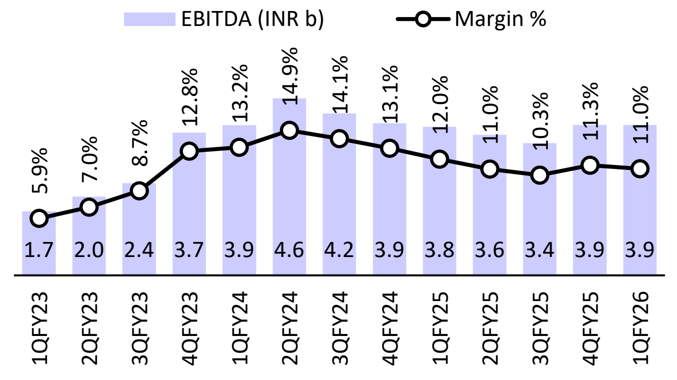
Source: MOFSL, Company

Exhibit 2: Trend in gross margin



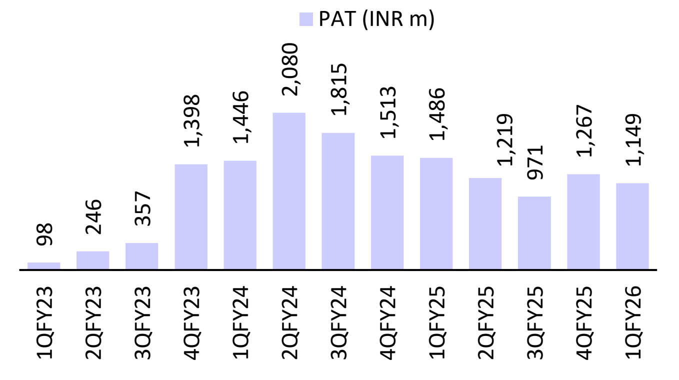
Source: MOFSL, Company

Exhibit 3: EBITDA and EBITDA margin trends



Source: MOFSL, Company

Exhibit 4: Absolute PAT trend



Source: MOFSL, Company

Valuation and view

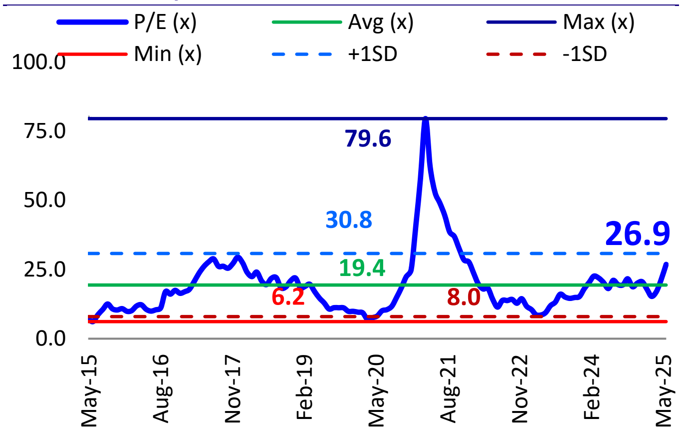
- **Focus on improving brand equity to drive market share gains:** CEAT has placed a strong emphasis on effective marketing and branding (~2.0-2.5% of sales) for its products. To position its products competitively, it has developed creative advertising campaigns based on research and consumer insights 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.
- **Ramp-up to continue in strategic focus areas**: Management has identified the 2W, Passenger Car, and OTR (off-road) tire segments as strategic focus areas, given their abilities to boost margin and reduce 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 high market share of 35%. Moreover, it has ramped up its presence in EVs, currently holding a market share of 30% in 2Ws and 20% in PVs.

- **Healthy growth outlook, led mainly by replacement demand:** Given a balanced presence across key segments, management expects steady growth across most categories: 1) strong volume growth in the TBR replacement segment; 2) steady PCR volume growth; 3) 2W segment growth led by demand from small towns; and 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 ~11%/18%/37% over FY25-27.
- **Valuation and view:** The replacement segment is expected to remain the key growth driver. Within OEMs, the outlook is healthy for 2Ws and tractors, with a pick-up anticipated in the TBR segment. Following the integration of Camso, its international business contribution will rise to 25% from 19% currently. CEAT's focus on strategic areas such as PV/2W/OHT/exports (to support margins), coupled with prudent capex plans (to benefit FCF), is expected to drive improved returns in the long run. **Hence, we reiterate our BUY rating on the stock with a TP of INR4,393 (based on ~18x June27E EPS).**

Exhibit 5: Changes to our estimates

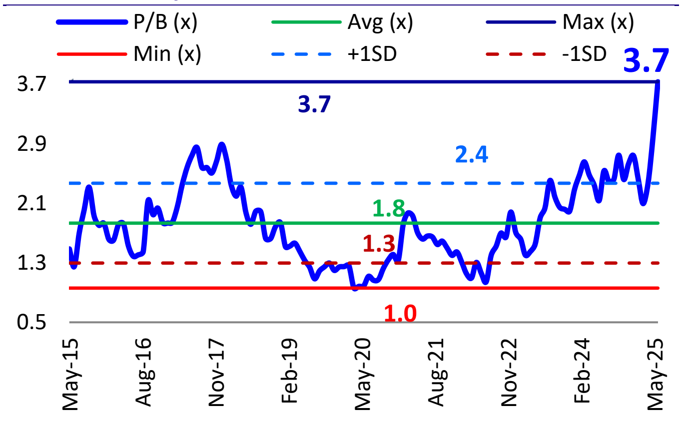
(INR m)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,46,388	1,46,388	0.0	1,62,474	1,60,786	1.0
EBITDA	17,713	17,713	0.0	20,472	20,259	1.0
EBITDA (%)	12.1	12.1	0bp	12.6	12.6	0bp
Adj. PAT	6,847	7,128	-3.9	9,295	9,136	1.7
EPS (INR)	169.3	176.2	-3.9	229.8	225.9	1.7

Exhibit 6: One-year forward P/E



Source: MOFSL, Company

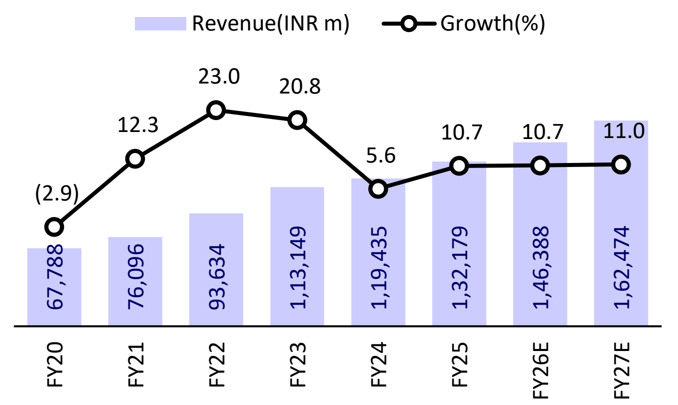
Exhibit 7: One-year forward P/B band



Source: MOFSL, Company

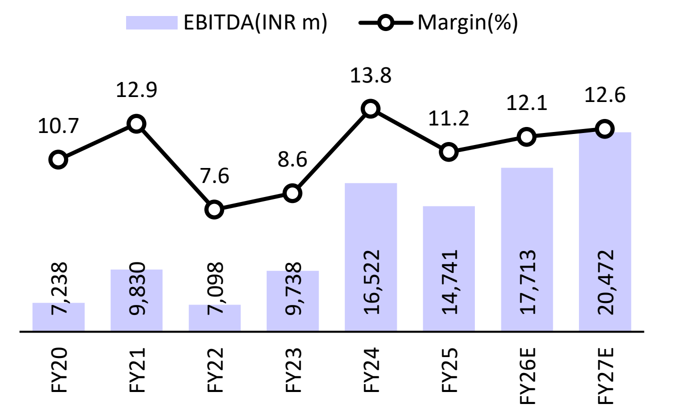
Story in charts

Exhibit 8: Revenue and growth trends



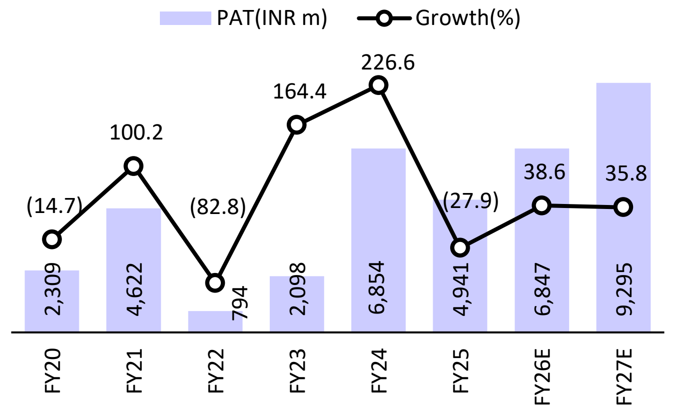
Source: MOFSL, Company

Exhibit 9: EBITDA and EBITDA margin trends



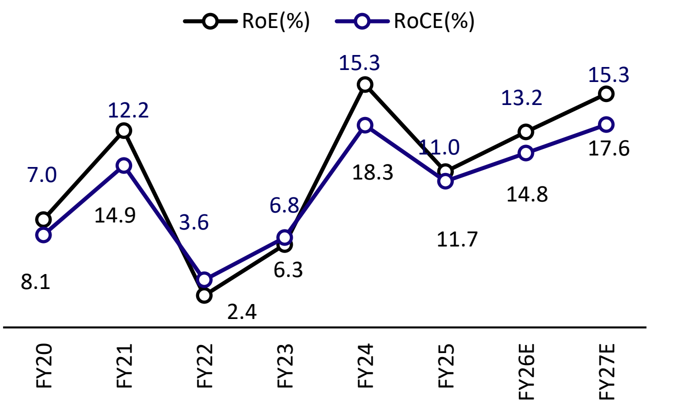
Source: MOFSL, Company

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**	**1,62,474**
Change (%)	-2.9	12.3	23.0	20.8	5.6	10.7	10.7	11.0
EBITDA	**7,238**	**9,830**	**7,098**	**9,738**	**16,522**	**14,741**	**17,713**	**20,472**
EBITDA Margin (%)	10.7	12.9	7.6	8.6	13.8	11.2	12.1	12.6
Depreciation	2,765	3,396	4,352	4,693	5,088	5,627	6,149	6,383
EBIT	**4,473**	**6,433**	**2,746**	**5,045**	**11,434**	**9,115**	**11,564**	**14,089**
EBIT Margin (%)	6.6	8.5	2.9	4.5	9.6	6.9	7.9	8.7
Int. and Finance Charges	1,509	1,755	2,070	2,421	2,691	2,778	2,781	2,108
Other Income	205	138	114	169	197	176	220	305
PBT after EO Exp.	**3,174**	**4,476**	**661**	**2,459**	**8,359**	**6,216**	**9,003**	**12,286**
Total Tax	1,046	516	243	718	2,214	1,720	2,341	3,194
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	-185	-203
Reported PAT	**2,312**	**4,320**	**712**	**1,862**	**6,427**	**4,726**	**6,847**	**9,295**
Adjusted PAT	**2,309**	**4,622**	**794**	**2,098**	**6,854**	**4,941**	**6,847**	**9,295**
Change (%)	-14.7	100.2	-82.8	164.4	226.6	-27.9	38.6	35.8
Margin (%)	3.4	6.1	0.8	1.9	5.7	3.7	4.7	5.7

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	48,712	55,984
Net Worth	**29,079**	**33,163**	**32,728**	**34,396**	**40,426**	**43,685**	**49,116**	**56,388**
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**	**72,758**	**77,030**
Gross Block	49,795	58,732	67,748	80,110	86,717	99,476	1,08,976	1,18,976
Less: Accum. Deprn.	8,197	11,097	14,456	19,149	24,237	29,864	36,013	42,396
Net Fixed Assets	**41,598**	**47,634**	**53,292**	**60,961**	**62,480**	**69,612**	**72,963**	**76,580**
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**	**6,951**	**9,151**
Curr. Assets, Loans&Adv.	**19,410**	**23,087**	**27,176**	**27,519**	**28,314**	**34,954**	**37,697**	**41,508**
Inventory	9,257	11,299	13,096	11,378	11,505	14,115	15,466	17,068
Account Receivables	6,744	9,216	11,543	13,070	12,832	16,533	18,048	20,031
Cash and Bank Balance	342	431	363	719	591	479	1,256	1,159
Loans and Advances	3,067	2,141	2,174	2,353	3,386	3,826	2,928	3,249
Curr. Liability & Prov.	**22,697**	**30,380**	**33,910**	**36,754**	**38,623**	**41,797**	**50,460**	**55,815**
Account Payables	11,948	18,395	21,576	22,683	23,321	27,402	29,965	33,069
Other Current Liabilities	9,114	10,444	10,654	12,154	13,462	12,083	17,567	19,497
Provisions	1,635	1,541	1,680	1,917	1,840	2,312	2,928	3,249
Net Current Assets	**-3,288**	**-7,293**	**-6,734**	**-9,234**	**-10,310**	**-6,843**	**-12,762**	**-14,308**
Appl. of Funds	**50,832**	**50,371**	**57,108**	**59,383**	**61,057**	**70,327**	**72,758**	**77,030**

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**	**169.3**	**229.8**
Cash EPS	125.4	198.2	127.2	167.9	295.2	261.2	321.3	387.6
BV/Share	718.9	819.8	809.1	850.3	999.4	1,080.0	1,214.2	1,394.0
DPS	12.0	18.0	3.0	12.0	30.0	30.0	35.0	50.0
Payout (%)	25.3	16.9	17.0	26.1	18.9	25.7	20.7	21.8
Valuation (x)								
P/E	53.5	26.7	155.7	58.9	18.0	27.1	22.6	16.7
Cash P/E	24.3	15.4	24.0	18.2	10.3	12.7	11.9	9.9
P/BV	4.2	3.7	3.8	3.6	3.1	3.1	3.2	2.7
EV/Sales	2.1	1.8	1.5	1.3	1.2	1.2	1.2	1.0
EV/EBITDA	19.6	14.0	20.3	14.8	8.4	10.5	9.7	8.3
Dividend Yield (%)	0.4	0.6	0.1	0.4	1.0	0.9	0.9	1.3
Return Ratios (%)								
RoE	8.1	14.9	2.4	6.3	18.3	11.7	14.8	17.6
RoCE (post tax)	7.0	12.2	3.6	6.8	15.3	11.0	13.2	15.3
RoIC	8.4	14.6	4.0	7.4	16.3	11.5	14.1	17.3
Working Capital Ratios								
Fixed Asset Turnover (x)	1.4	1.3	1.4	1.4	1.4	1.3	1.3	1.4
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	38
Debtor (Days)	36	44	45	42	39	46	45	45
Creditor (Days)	64	88	84	73	71	76	75	74
Leverage Ratio (x)								
Current Ratio	0.9	0.8	0.8	0.7	0.7	0.8	0.7	0.7
Interest Cover Ratio	3.0	3.7	1.3	2.1	4.2	3.3	4.2	6.7
Net Debt/Equity	0.6	0.4	0.6	0.6	0.4	0.5	0.3	0.3

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	9,003	12,286
Depreciation	2,765	3,396	4,352	4,693	5,088	5,627	6,149	6,383
Interest & Finance Charges	1,509	1,755	2,070	2,421	2,691	2,778	2,561	1,803
Direct Taxes Paid	-181	-512	-200	377	-1,630	-908	-2,341	-3,194
(Inc)/Dec in WC	2,582	4,516	-736	2,211	2,674	-2,909	6,696	1,449
CF from Operations	**9,546**	**13,631**	**6,147**	**12,161**	**17,183**	**10,804**	**22,068**	**18,726**
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**	**22,068**	**18,726**
(Inc)/Dec in FA	-11,183	-6,395	-9,558	-8,779	-8,668	-9,426	-9,500	-10,000
Free Cash Flow	**-1,620**	**7,182**	**-3,369**	**3,276**	**8,525**	**1,494**	**12,568**	**8,726**
(Pur)/Sale of Investments	9	-27	-89	-11	-47	-3	-5,000	-2,200
Others	419	241	203	299	178	204	220	305
CF from Investments	**-10,755**	**-6,181**	**-9,444**	**-8,491**	**-8,537**	**-9,224**	**-14,280**	**-11,895**
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	-2,781	-2,108
Dividend Paid	-1,139	-4	-746	-126	-485	-1,214	-1,416	-2,023
Others	0	0	0	-936	-918	2,398	185	203
CF from Fin. Activity	790	-7,309	3,132	-3,195	-8,710	-1,767	-7,012	-6,927
Inc/Dec of Cash	**-402**	**87**	**-123**	**368**	**-55**	**-72**	**776**	**-96**
Opening Balance	675	274	361	238	606	552	479	1,256
Closing Balance	**274**	**361**	**238**	**606**	**552**	**479**	**1,256**	**1,159**

NOTES

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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