

## Rising input cost and lower dispatches to depress earnings

- Weaker QoQ dispatches in PVs, CVs, 2Ws and 3Ws to impact topline; rising input cost pressure and supply issues to compound woes
- Strong YoY volume growth in tractors off a low base but steel and tyre cost inflation to hurt earnings
- Tyre companies face challenges from high base effect in aftermarket sales, lower OEM dispatches and rising input prices

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**OEMs:** We expect a 27% QoQ decrease in Maruti's (MSIL) Q1FY22 revenue led by the 28% QoQ decline in its sale volumes. The sharp upswing in commodity prices also makes us skeptical on margins. Volumes are down 35% QoQ for Hero (HMCL), 14% for Bajaj Auto (BJAUT), 29% for TVS Motor (TVSL) and 40% for Eicher Motor (EIM – RE). Despite some respite from exports for MSIL, BJAUT and TVSL, we forecast a sharp sequential decline in EBITDA margins and PAT for all three due to rising commodity prices. Inventories remain normal-to-high for 2W players in the domestic market, indicating that any fall in retail sales may have a direct impact on production.

In the CV segment, MHCV sales have declined over 50% QoQ in Q1 owing to partial lockdowns during the quarter. With the pandemic spread, recovery could be delayed. We expect Ashok Leyland (AL) to report a 60% QoQ drop in Q1 revenue. The sharp increase in metal and tyre costs and the company's inability to take corresponding price hikes will continue to erode its margins and earnings.

**Tractors & Tillers:** Tractors continued their growth trajectory in Q1FY22 as well. YoY, volumes surged 52% for M&M (MM) and 38% for Escorts (ESC). VST Tillers (VSTT) also reported YoY growth of 26%. However, we expect margins for all these agri-related players to contract QoQ as higher raw material cost, both steel and tyres, takes a toll.

**Tyres:** OEMs have posted a sequential decline of over 50% in Q1 MHCV tyre sales. While replacement demand for truck tyres (radials) remains steady, it is important to note that the high base of FY21 will limit upside growth YoY. The farm subsegment (tractors) has clocked decent growth. We expect steady capacity utilisation in bias tyres and project an overall revenue decline of 5-6% QoQ from the tyre pack in Q1. In our view, the jump in rubber prices (from ~Rs 155/kg to Rs 170/kg) and higher crude derivative costs (up ~13% QoQ) would shave 250-300bps of Q1 gross margins QoQ. We recommend a strong SELL on the entire tyre pack.

### Recommendation snapshot

Ticker	Price	Target	Rating
AL IN	125	80	SELL
BJAUT IN	3,996	3,200	SELL
HMCL IN*	2,897	2,900	HOLD
MSIL IN	7,426	8,000	BUY
TVSL IN	600	480	SELL
EIM IN	2,712	2,200	SELL
MM IN	772	630	SELL
CEAT IN	1,318	840	SELL
APTY IN	228	140	SELL
BIL IN	2,280	1,550	SELL
MRF IN	79,995	67,000	SELL
MDA IN	127	140	BUY
JKI IN	142	90	SELL
SRTY IN	2,234	1,200	SELL
ESC IN	1,200	1,350	BUY
VSTT IN	1,976	2,300	HOLD
GNA IN*	457	450	HOLD

Price & Target in Rupees | Price as of 9 Jul 2021 | \*HMCL and GNA realigned to HOLD from REDUCE and ADD respectively as per our new rating scale



## Company-wise expectations

**Fig 1 – Quarterly preview**

Company (Rs mn)	Q1FY22E	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	Remarks
<b>Ashok Leyland</b>						
Sales	27,469	6,509	322.0	70,005	(60.8)	Volumes fell 59% QoQ in Q1 as MHCVs were down 66% while LCVs declined 50%. Higher discounts and an adverse product mix will further impact revenue which is projected to fall 61% QoQ. We forecast that RM cost pressure and lack of operating efficiency would drive 440bps QoQ contraction in EBITDA margin and an 83% QoQ EBITDA fall. Adj loss is projected at Rs 1.3bn.
EBITDA	888	(3,332)	NA	5,342	(83.4)	
Adj PAT	(1,276)	(3,888)	NA	2,412	NA	
EBITDA margin (%)	3.2	(51.2)	-	7.6	-	
PAT margin (%)	(4.6)	(59.7)	-	3.4	-	
<b>Maruti Suzuki</b>						
Sales	174,654	41,065	325.3	240,237	(27.3)	Led by a 28% QoQ volume decline and a 2% rise in ASP from price hikes, we expect a 27% QoQ revenue decline. Operating margin is forecast to contract 120bps QoQ given RM cost pressure. We model for a 3% QoQ adj. PAT decline partially supported by higher other income at Rs 11.3bn. Key monitorables are inventory levels, RM price trend and new launch timelines.
EBITDA	12,631	(8,634)	NA	19,911	(36.6)	
Adj PAT	11,304	(2,494)	NA	11,661	(3.1)	
EBITDA margin (%)	7.2	(21.0)	-	8.3	-	
PAT margin (%)	6.5	(6.1)	-	4.9	-	
<b>Bajaj Auto</b>						
Sales	76,152	30,792	147.3	85,961	(11.4)	Volumes fell 14% QoQ in Q1; 3Ws were down 13% and 2Ws fell 14% due to weakness in the domestic market. We expect ASP to improve ~3% QoQ, restricting the revenue decline to 11% QoQ. Operating margin is projected to contract 70bps QoQ on higher RM cost, leading to adj. PAT of Rs 12bn (-10% QoQ). Key monitorables are export demand, inventory, 3W recovery timeline and new launch timelines.
EBITDA	12,869	4,085	215.0	15,241	(15.6)	
Adj PAT	12,000	5,280	127.3	13,321	(9.9)	
EBITDA margin (%)	16.9	13.3	-	17.7	-	
PAT margin (%)	15.8	17.1	-	15.5	-	
<b>Eicher Motors</b>						
Sales	18,366	7,692	138.8	29,224	(37.2)	Royal Enfield volumes fell 40% QoQ in Q1 while timely price hikes should help ASPs improve 4%, restricting the revenue decline to an estimated 37% QoQ at Rs 18bn. Gross margin is likely to contract 80bps QoQ, leading to an EBITDA decline of 40% at Rs 3.9bn. We estimate that adj. PAT will fall to Rs 3bn. Key monitorables are new launch timelines, inventory levels and studio store performance.
EBITDA	3,875	12	32,191.7	6,435	(39.8)	
Adj PAT	3,000	123	2,339.0	4,681	(35.9)	
EBITDA margin (%)	21.1	0.2	-	22.0	-	
PAT margin (%)	16.3	1.6	-	16.0	-	
<b>Hero MotoCorp</b>						
Sales	57,308	29,716	92.9	86,860	(34.0)	We expect ASP to rise 1% QoQ given recent price hikes while volumes have fallen 35%, prompting an estimated 34% QoQ fall in revenue. Gross margin is forecast to contract sequentially by 110bps, weighing on EBITDA margin (-130bps QoQ to 12.6%). Key monitorables are inventory levels, new launches and any vendor-side supply challenges.
EBITDA	7,208	1,081	566.8	12,112	(40.5)	
Adj PAT	5,743	613	836.9	8,649	(33.6)	
EBITDA margin (%)	12.6	3.6	-	13.9	-	
PAT margin (%)	10.0	2.1	-	10.0	-	
<b>TVS Motor</b>						
Sales	38,497	14,317	168.9	53,219	(27.7)	Revenue is forecast to fall 28% QoQ to Rs 38bn (volumes -29% QoQ, ASPs +2%) as 3Ws continue to struggle. RM cost pressure would likely compress EBITDA margin to 8.7% (-140bps QoQ). Adj. PAT is projected to decline 51% QoQ to Rs 1.4bn. Key monitorables are the 3W demand situation, export market performance and cost-cutting initiatives.
EBITDA	3,366	(488)	NA	5,361	(37.2)	
Adj PAT	1,426	(1,391)	NA	2,892	(50.7)	
EBITDA margin (%)	8.7	(3.4)	-	10.1	-	
PAT margin (%)	3.7	(9.7)	-	5.4	-	
<b>Mahindra&amp;Mahindra (MM+MVML)</b>						
Sales	124,426	55,894	122.6	133,382	(6.7)	Auto volumes have declined 20% QoQ while tractor sales grew 6% in Q1. Sequential RM cost inflation could lower operating margin to 13.5% (-120bps QoQ), translating to an EBITDA decline of 14% QoQ. Adj. PAT is likely to rise 3% QoQ to Rs 10.3bn supported by higher other income (Q4 reported lower other income at Rs 1.7bn vs. average of Rs 3.5bn in preceding four quarters).
EBITDA	16,775	5,732	192.7	19,605	(14.4)	
Adj PAT	10,303	389	2,548.6	10,024	2.8	
EBITDA margin (%)	13.5	10.3	-	14.7	-	
PAT margin (%)	8.3	0.7	-	7.5	-	

Company (Rs mn)	Q1FY22E	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	Remarks
<b>Escorts (ESC)</b>						
Sales	16,521	10,616	55.6	22,105	(25.3)	Tractor volumes fell by 23% QoQ in Q1, which should lead to a 25% QoQ decline in revenue to Rs 16.5bn. EBITDA margin is forecast to shrink 160bps QoQ led by RM cost pressures whereas adj. PAT could drop 34% QoQ to Rs 1.8bn. Key monitorables are the supply chain situation and Kubota deal updates.
EBITDA	2,315	1,196	93.6	3,447	(32.8)	
Adj PAT	1,796	922	94.8	2,713	(33.8)	
EBITDA margin (%)	14.0	11.3	-	15.6	-	
PAT margin (%)	10.9	8.7	-	12.3	-	
<b>Swaraj Engines</b>						
Sales	2,274	1,170	94.4	3,049	(25.4)	We expect a revenue decline of 25% QoQ to Rs 2.3bn led by a projected volume decrease of 26%. Gross margin contraction is estimated at 120bps – this coupled with higher operating fixed costs could compress EBITDA margins sequentially (-190bps QoQ). Adj. PAT is projected at Rs 210mn. Demand outlook and market share gains are key monitorables.
EBITDA	300	129	132.6	462	(35.1)	
Adj PAT	210	78	169.2	326	(35.6)	
EBITDA margin (%)	13.2	11.0	-	15.2	-	
PAT margin (%)	9.2	6.7	-	10.7	-	
<b>VST Tillers</b>						
Sales	1,874	1,462	28.2	1,947	(3.7)	Since restrictions were imposed on tiller imports from China, VSTT has witnessed a sharp jump in tiller demand. However, moderate demand in tractors led to a sequential volume decline of 7%. We expect revenue to dip 4% QoQ while a lower gross margin is likely to cause EBITDA margin contraction of 140bps QoQ. Adj. PAT is estimated at Rs 223mn.
EBITDA	231	164	40.9	213	8.5	
Adj PAT	223	(34)	NA	129	72.9	
EBITDA margin (%)	12.3	11.2	-	10.9	-	
PAT margin (%)	11.9	(2.3)	-	6.6	-	
<b>Apollo Tyres</b>						
Sales	49,000	28,734	70.5	50,257	(2.5)	With a strong base in Q4FY21 and most replacement demand catered to in the past few quarters, revenue is estimated to fall by 3% QoQ to Rs 49bn. Given the sharp jump in crude and rubber prices over the last few months, we expect gross margin to deteriorate QoQ for most tyre companies, while a higher share of revenue from OEMs would further weigh on profitability.
EBITDA	6,377	2,373	168.7	8,147	(21.7)	
Adj PAT	1,525	(1,346)	NA	2,873	(46.9)	
EBITDA margin (%)	13.0	8.3	-	16.2	-	
PAT margin (%)	3.1	(4.7)	-	5.7	-	
<b>Balkrishna Industries</b>						
Sales	15,713	9,287	69.2	17,459	(10.0)	We assume tonnage volumes will decline 12% QoQ (+58% YoY) with ASP improving by 2% QoQ, resulting in a revenue decline of 10% QoQ. Operating margin is expected to plummet 250bps QoQ as RM costs have spiked. Adj. PAT is projected at Rs 2.9bn (-22% QoQ).
EBITDA	4,479	2,306	94.2	5,418	(17.3)	
Adj PAT	2,917	1,218	139.5	3,722	(21.6)	
EBITDA margin (%)	28.5	24.8	-	31.0	-	
PAT margin (%)	18.6	13.1	-	21.3	-	
<b>CEAT</b>						
Sales	21,500	11,162	92.6	22,790	(5.7)	With weaker 2W OEM sales QoQ, CEAT faces a potential dip in revenue along with higher RM costs. We estimate a 230bps QoQ fall in EBITDA margin and a 25% QoQ decline in EBITDA. Adj. PAT is estimated at Rs 462mn (-67% QoQ). Key monitorables are management's view on demand, the direction of RM prices and any further hike in product prices.
EBITDA	1,908	1,017	87.6	2,553	(25.3)	
Adj PAT	462	(41)	NA	1,418	(67.4)	
EBITDA margin (%)	8.9	9.1	-	11.2	-	
PAT margin (%)	2.1	(0.4)	-	6.2	-	
<b>JK Tyre</b>						
Sales	27,500	11,308	143.2	29,273	(6.1)	We have factored in moderate sequential growth in CV replacement demand and a sharp dip in the OEM market to arrive at our Q1 revenue estimate of Rs 27.5bn. As higher RM costs would act as a headwind, we expect operating margin to fall 320bps QoQ. Key monitorables are further plans for debt reduction, CV demand outlook and capacity utilisation levels.
EBITDA	3,382	(38)	NA	4,547	(25.6)	
Adj PAT	1,009	(1,713)	NA	1,796	(43.8)	
EBITDA margin (%)	12.3	(0.3)	-	15.5	-	
PAT margin (%)	3.7	(15.1)	-	6.1	-	
<b>MRF</b>						
Sales	45,000	24,306	85.1	47,377	(5.0)	Revenue is projected to dip 5% QoQ to Rs 45bn given weak OEM sales partially offset by steady demand in the replacement segment. RM cost inflation would impact operating margin. We project PAT of Rs 2.1bn. Key monitorables are capacity expansion plans, RM cost trend and demand in the replacement market.
EBITDA	5,874	3,315	77.2	7,456	(21.2)	
Adj PAT	2,113	171	1135.7	3,173	(33.4)	
EBITDA margin (%)	13.1	13.6	-	15.7	-	
PAT margin (%)	4.7	0.7	-	6.7	-	

Company (Rs mn)	Q1FY22E	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	Remarks
<b>TVS Srichakra</b>						
Sales	4,682	2,065	126.7	5,810	(19.4)	Given full exposure to 2W tyres, we expect volumes to replicate the decline in 2W sales, leading to a revenue fall of 20% QoQ to Rs 4.7bn despite steady replacement demand. Estimated gross margin shrinkage could lead to an EBITDA drop of 35% QoQ with EBITDA margin at 10.8%. Adj. PAT is projected to fall 65% QoQ.
EBITDA	505	(161)	NA	773	(34.7)	
Adj PAT	120	(354)	NA	341	(64.8)	
EBITDA margin (%)	10.8	(7.8)	-	13.3	(252)	
PAT margin (%)	2.6	(17.1)	-	5.9	-	
<b>Minda Corp</b>						
Sales	6,194	1,780	248.0	7,941	(22.0)	We expect a decline of 22% QoQ in quarterly revenue to Rs 6.2bn. Given lower auto dispatches in Q1 coupled with lag in obtaining RM cost pass-through from OEMs, we model for EBITDA margin of 10.2% (-100bps QoQ) while EBITDA falls by 29% QoQ. Adj. PAT is projected at Rs 375mn.
EBITDA	632	(203)	NA	890	(29.0)	
Adj PAT	375	(364)	NA	546	(31.3)	
EBITDA margin (%)	10.2	(11.4)	-	11.2	-	
PAT margin (%)	6.1	(20.4)	-	6.9	-	
<b>GNA Axles</b>						
Sales	2,543	813	212.8	3,101	(18.0)	Lower sequential CV sales should bring down revenue by 18% QoQ to Rs 2.5bn. EBITDA margin is expected to be affected by a weaker gross margin, causing EBITDA to fall an estimated 25% QoQ to Rs 365mn. Adj. PAT is projected at Rs 191mn (-31% QoQ).
EBITDA	365	57	540.4	484	(24.6)	
Adj PAT	191	(66)	(389.4)	276	(30.8)	
EBITDA margin (%)	14.4	7.0	-	15.6	-	
PAT margin (%)	7.5	(8.1)	-	8.9	-	

Source: Company, BOBCAPS Research

## Quarterly commodity and currency trends

Fig 2 – Commodity and currency trend

Particulars	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
<b>Key Commodities</b>												
<b>Aluminium (USD)</b>	<b>2,054</b>	<b>1,966</b>	<b>1,862</b>	<b>1,794</b>	<b>1,765</b>	<b>1,756</b>	<b>1,691</b>	<b>1,501</b>	<b>1,704</b>	<b>1,916</b>	<b>2,096</b>	<b>2,400</b>
QoQ (%)	(9.3)	(4.3)	(5.3)	(3.7)	(1.6)	(0.5)	(3.7)	(11.2)	13.5	12.3	9.3	14.5
<b>Lead (USD)</b>	<b>2,097</b>	<b>1,966</b>	<b>2,034</b>	<b>1,883</b>	<b>2,029</b>	<b>2,042</b>	<b>1,843</b>	<b>1,679</b>	<b>1,875</b>	<b>1,902</b>	<b>2,011</b>	<b>2,123</b>
QoQ (%)	(12.0)	(6.2)	3.5	(7.4)	7.7	0.6	(9.8)	(8.9)	11.7	1.6	5.7	5.6
<b>Brent oil (USD)</b>	<b>75</b>	<b>68</b>	<b>63</b>	<b>69</b>	<b>62</b>	<b>63</b>	<b>51</b>	<b>31</b>	<b>43</b>	<b>44</b>	<b>61</b>	<b>69</b>
QoQ (%)	1.0	(10.1)	(6.8)	8.5	(9.7)	1.2	(19.2)	(37.9)	35.8	4.5	36.0	13.0
<b>Rubber (RS4) (Rs)</b>	<b>13,071</b>	<b>12,357</b>	<b>12,565</b>	<b>13,899</b>	<b>14,265</b>	<b>12,749</b>	<b>13,423</b>	<b>12,066</b>	<b>13,088</b>	<b>15,219</b>	<b>15,841</b>	<b>16,849</b>
QoQ (%)	5.6	(5.5)	1.7	10.6	2.6	(10.6)	5.3	(10.1)	8.5	16.2	4.1	6.4
<b>Hot rolled steel (CNY)</b>	<b>4,300</b>	<b>3,926</b>	<b>3,802</b>	<b>3,949</b>	<b>3,793</b>	<b>3,720</b>	<b>3,602</b>	<b>3,550</b>	<b>3,928</b>	<b>4,182</b>	<b>4,782</b>	<b>5,672</b>
QoQ (%)	3.2	(8.7)	(3.2)	3.8	(3.9)	(1.9)	(3.2)	(1.4)	10.6	6.5	14.4	18.6
<b>Cold rolled steel (CNY)</b>	<b>4,788</b>	<b>4,535</b>	<b>4,313</b>	<b>4,326</b>	<b>4,292</b>	<b>4,307</b>	<b>4,257</b>	<b>3,947</b>	<b>4,480</b>	<b>5,095</b>	<b>5,575</b>	<b>6,267</b>
QoQ (%)	4.0	(5.3)	(4.9)	0.3	(0.8)	0.4	(1.2)	(7.3)	13.5	13.6	9.4	12.4
<b>Key Currencies</b>												
<b>INR/USD</b>	<b>70.1</b>	<b>72.1</b>	<b>70.5</b>	<b>69.6</b>	<b>70.3</b>	<b>71.2</b>	<b>72.4</b>	<b>75.9</b>	<b>74.4</b>	<b>73.8</b>	<b>72.9</b>	<b>73.7</b>
QoQ (%)	4.5	2.9	(2.2)	(1.3)	1.1	1.3	1.6	4.9	(2.0)	(0.8)	(1.2)	1.1
<b>INR/EUR</b>	<b>81.5</b>	<b>82.3</b>	<b>80.1</b>	<b>78.2</b>	<b>78.2</b>	<b>78.9</b>	<b>79.9</b>	<b>83.6</b>	<b>86.9</b>	<b>88.1</b>	<b>87.9</b>	<b>88.9</b>
QoQ (%)	2.1	0.9	(2.6)	(2.4)	0.1	0.9	1.2	4.7	3.9	1.3	(0.2)	1.2
<b>INR/GBP</b>	<b>91.4</b>	<b>92.8</b>	<b>91.7</b>	<b>89.4</b>	<b>86.7</b>	<b>91.7</b>	<b>92.7</b>	<b>94.2</b>	<b>96.1</b>	<b>97.5</b>	<b>100.5</b>	<b>103.1</b>
QoQ (%)	0.2	1.5	(1.1)	(2.5)	(3.0)	5.7	1.1	1.6	1.9	1.5	3.1	2.6
<b>INR/JPY</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
QoQ (%)	2.4	1.6	0.1	(1.1)	3.7	(0.1)	1.5	6.1	(0.7)	0.9	(2.6)	(2.6)
<b>USD/EUR</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
QoQ (%)	(2.4)	(1.9)	(0.4)	(1.1)	(1.0)	(0.4)	(0.4)	(0.1)	6.1	5.5	1.0	0.0
<b>USD/GBP</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>
QoQ (%)	(4.2)	(1.3)	1.3	(1.3)	(4.1)	4.5	(0.6)	(3.0)	4.1	2.3	4.3	1.4

Source: Bloomberg, BOBCAPS Research

## Quarterly volume trends

Fig 3 – Q1FY22 volume snapshot

Company	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)
<b>Ashok Leyland</b>	<b>17,987</b>	<b>3,814</b>	<b>371.6</b>	<b>44,060</b>	<b>(59.2)</b>
HCVs	9,050	1,021	786.4	26,277	(65.6)
LCVs	8,937	2,793	220.0	17,783	(49.7)
<b>Bajaj Auto</b>	<b>1,006,014</b>	<b>443,103</b>	<b>127.0</b>	<b>1,169,664</b>	<b>(14.0)</b>
Motorcycles	899,305	399,929	124.9	1,047,632	(14.2)
3Ws	106,709	43,174	147.2	122,032	(12.6)
Exports (of above)	648,877	251,840	157.7	635,545	2.1
<b>Eicher Motors</b>	<b>123,640</b>	<b>57,178</b>	<b>116.2</b>	<b>204,604</b>	<b>(39.6)</b>
RE	106,553	52,433	103.2	187,081	(43.0)
VECV	17,087	4,745	260.1	17,523	(2.5)
<b>Escorts</b>	<b>25,077</b>	<b>18,150</b>	<b>38.2</b>	<b>32,588</b>	<b>(23.0)</b>
<b>Hero MotoCorp</b>	<b>1,024,849</b>	<b>563,426</b>	<b>81.9</b>	<b>1,568,313</b>	<b>(34.7)</b>
<b>Mahindra &amp; Mahindra</b>	<b>186,777</b>	<b>95,308</b>	<b>96.0</b>	<b>202,223</b>	<b>(7.6)</b>
Auto	86,848	29,651	192.9	108,329	(19.8)
Tractors	99,929	65,657	52.2	93,894	6.4
<b>Maruti Suzuki</b>	<b>353,614</b>	<b>76,599</b>	<b>361.6</b>	<b>492,235</b>	<b>(28.2)</b>
Domestic	308,095	67,027	359.7	456,707	(32.5)
Exports	45,519	9,572	375.5	35,528	28.1
<b>TVS Motor</b>	<b>657,128</b>	<b>267,533</b>	<b>145.6</b>	<b>927,479</b>	<b>(29.1)</b>
2Ws	618,071	256,028	141.4	886,514	(30.3)
3Ws	39,057	11,505	239.5	40,965	(4.7)

Source: Company, BOBCAPS Research

## Valuation and View

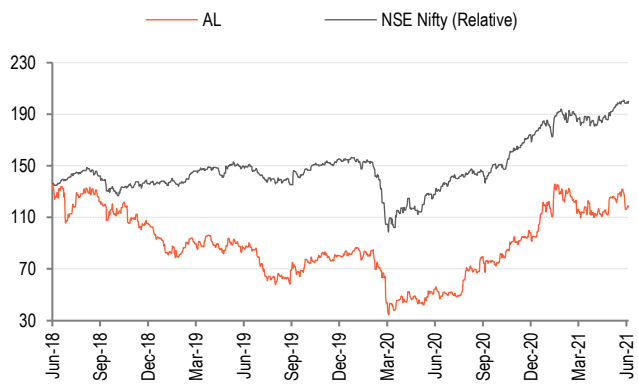
We have factored in a significant revival in demand going forward. For Q1FY22, we believe most auto stocks will suffer from lower dispatches and weaker margins on the back of rising input cost pressures. Tepid demand amidst pandemic uncertainty has kept the CV and 3W segments under tremendous pressure. While exports have shored up sales for BJAUT and TVSL in particular, both players have high inventories at domestic dealers and remain richly valued – much ahead of their long-term P/E multiples.

The PV segment including MSIL continues to witness steady demand, and channel checks suggests below-average inventory at their dealers. From a valuation perspective, we remain positive on MSIL, ESC and VSTT while staying negative on AL, BJAUT, TVSL and EIM.

The steep jump in input costs negatively impacts our FY22 and FY23 gross margin and earnings forecasts for all tyre companies while a weak earnings CAGR over FY21-FY23 supports a case for derating of their target P/E multiples. We thus maintain our negative stance on the entire tyre pack.

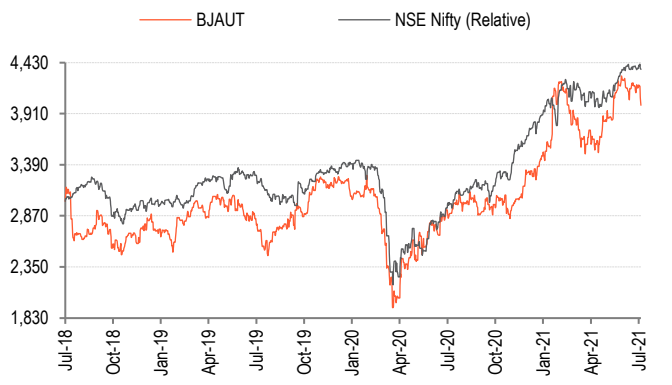
Stock performance

Fig 4 – AL



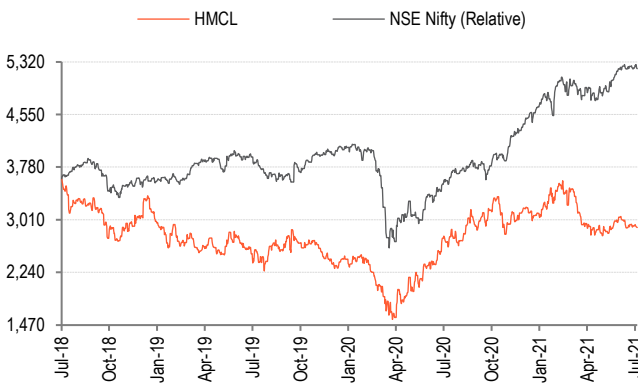
Source: NSE

Fig 5 – BJAUT



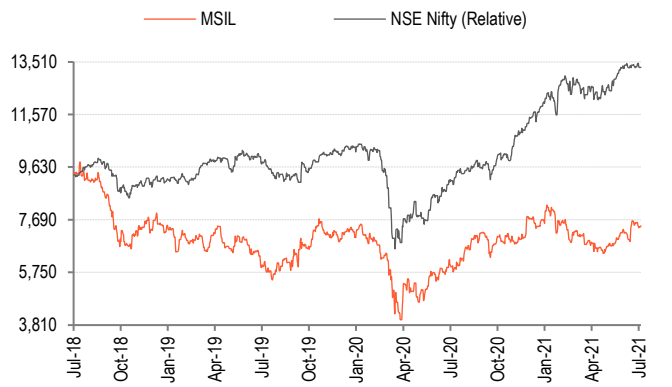
Source: NSE

Fig 6 – HMCL



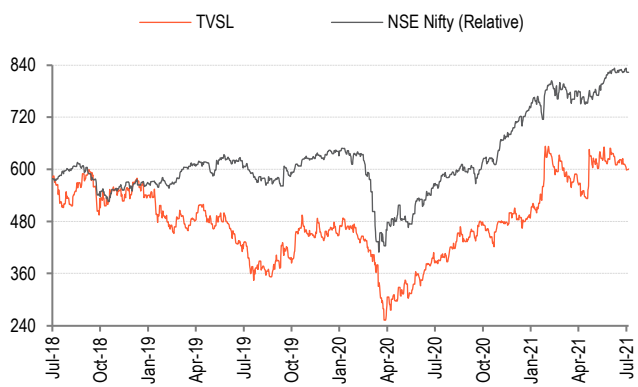
Source: NSE

Fig 7 – MSIL



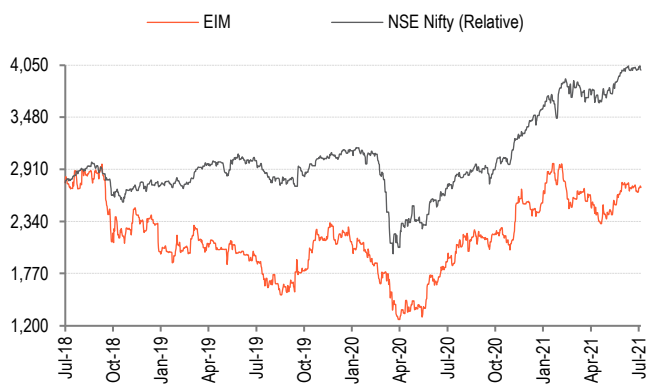
Source: NSE

Fig 8 – TVSL



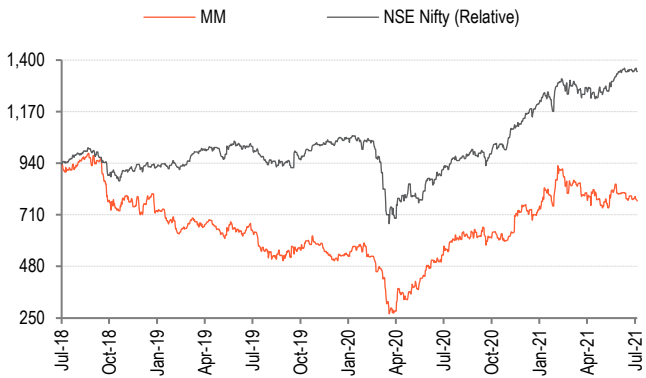
Source: NSE

Fig 9 – EIM



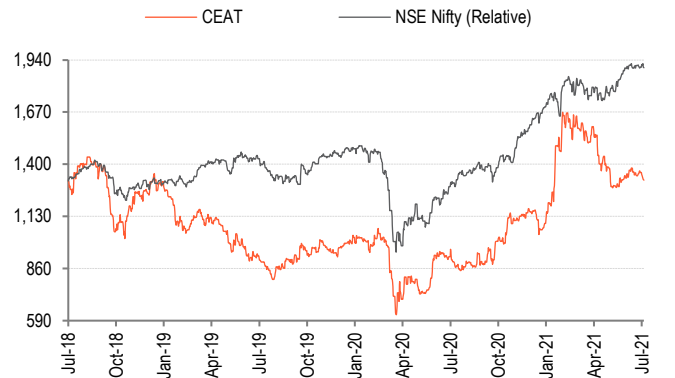
Source: NSE

**Fig 10 – MM**



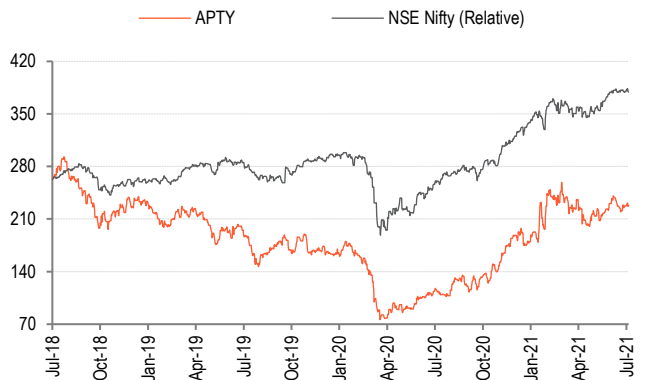
Source: NSE

**Fig 11 – CEAT**



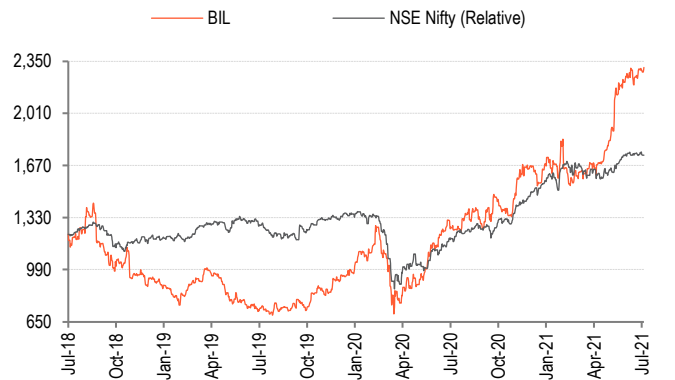
Source: NSE

**Fig 12 – APTY**



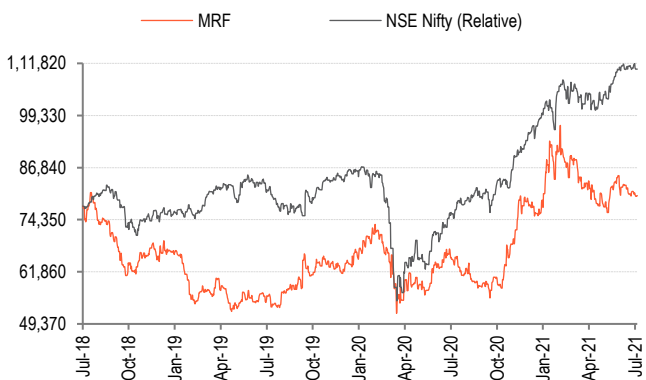
Source: NSE

**Fig 13 – BIL**



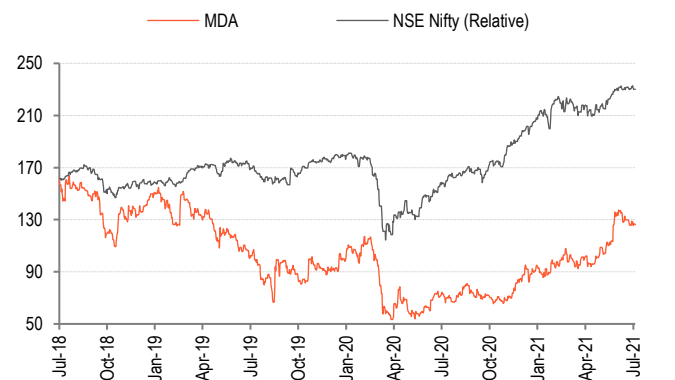
Source: NSE

**Fig 14 – MRF**



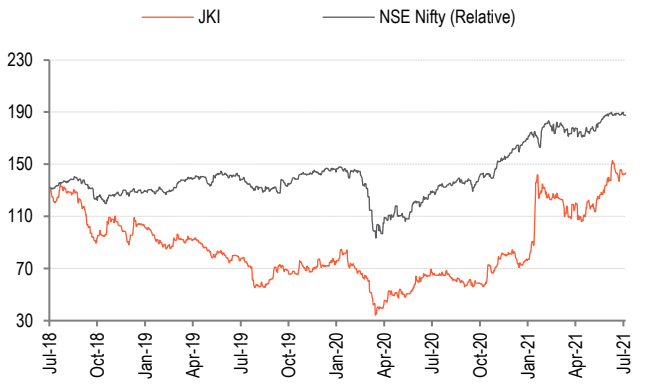
Source: NSE

**Fig 15 – MDA**



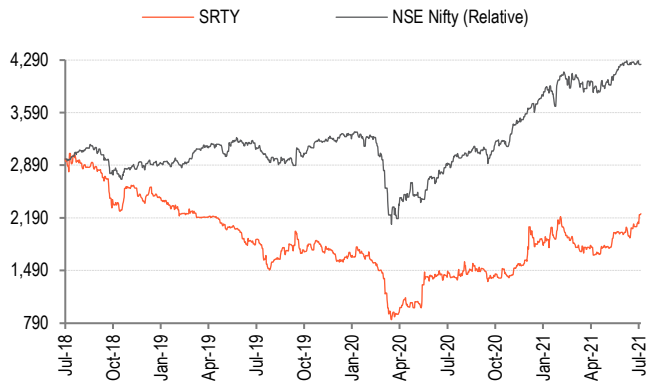
Source: NSE

**Fig 16 – JKI**



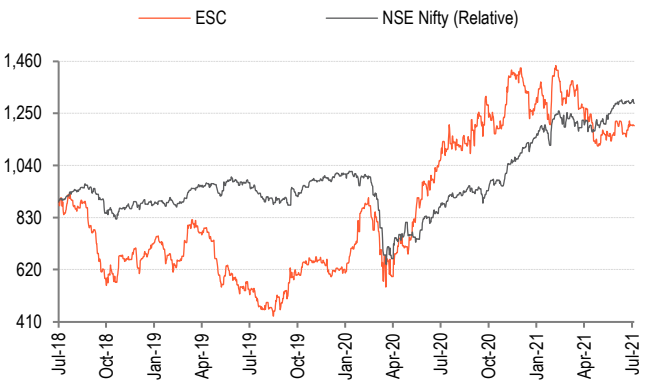
Source: NSE

**Fig 17 – SRTY**



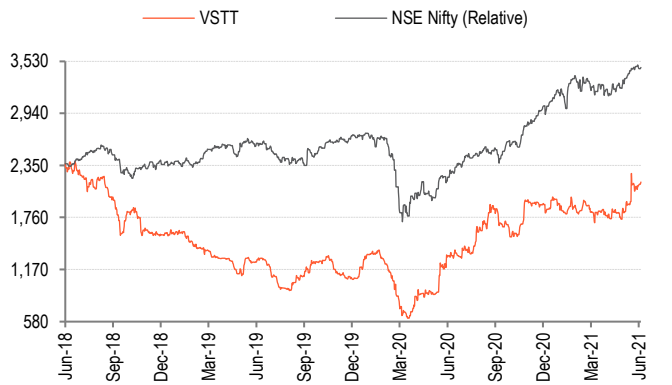
Source: NSE

**Fig 18 – ESC**



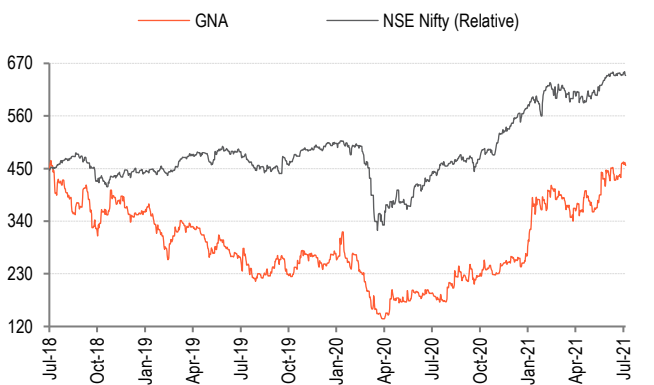
Source: NSE

**Fig 19 – VSTT**



Source: NSE

**Fig 20 – GNA**



Source: NSE



## Financials – AL

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
<b>Total revenue</b>	<b>294,439</b>	<b>178,847</b>	<b>153,014</b>	<b>231,600</b>	<b>293,848</b>
EBITDA	30,748	11,736	5,351	15,001	23,159
Depreciation	6,210	6,698	7,477	8,256	8,483
EBIT	25,638	6,272	(931)	7,973	15,964
Net interest inc./(exp.)	(704)	(1,095)	(3,068)	(3,270)	(2,742)
Other inc./(exp.)	1,099	1,233	1,195	1,227	1,287
Exceptional items	57	(1,558)	(121)	0	0
EBT	24,991	3,619	(4,119)	4,702	13,221
Income taxes	5,136	1,224	(983)	1,058	2,975
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>19,855</b>	<b>2,395</b>	<b>(3,136)</b>	<b>3,644</b>	<b>10,247</b>
Adjustments	(57)	1,558	121	0	0
<b>Adjusted net profit</b>	<b>19,798</b>	<b>3,953</b>	<b>(3,016)</b>	<b>3,644</b>	<b>10,247</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
Accounts payables	51,545	26,239	51,647	49,666	62,586
Other current liabilities	24,977	18,227	14,859	35,769	42,111
Provisions	8,028	8,055	6,545	6,545	6,545
Debt funds	6,324	32,814	37,163	37,163	25,162
Other liabilities	5,549	3,273	2,805	2,805	2,805
Equity capital	2,936	2,936	2,936	2,936	2,936
Reserves & surplus	80,389	69,704	66,837	65,400	70,058
Shareholders' fund	83,324	72,640	69,772	68,336	72,993
<b>Total liab. and equities</b>	<b>179,747</b>	<b>161,248</b>	<b>182,792</b>	<b>200,283</b>	<b>212,202</b>
Cash and cash eq.	13,736	13,225	8,436	5,636	7,465
Accounts receivables	25,055	11,798	28,160	28,553	30,592
Inventories	26,847	12,380	21,423	22,208	24,152
Other current assets	16,225	17,855	16,397	32,266	33,357
Investments	26,365	27,196	30,687	30,687	33,687
Net fixed assets	56,145	68,036	70,504	73,466	75,983
CWIP	6,576	5,941	3,719	4,000	3,500
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(2,497)	(2,648)	(1,708)	(1,708)	(1,708)
Other assets	11,294	7,464	5,174	5,174	5,174
<b>Total assets</b>	<b>179,747</b>	<b>161,247</b>	<b>182,792</b>	<b>200,283</b>	<b>212,202</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
<b>Cash flow from operations</b>	<b>(2,598)</b>	<b>4,104</b>	<b>6,650</b>	<b>15,824</b>	<b>28,888</b>
Capital expenditures	(9,225)	(17,954)	(7,722)	(11,500)	(10,500)
Change in investments	29,702	(831)	(3,491)	0	(3,000)
Other investing cash flows	1,099	1,233	1,195	1,227	1,287
<b>Cash flow from investing</b>	<b>21,576</b>	<b>(17,552)</b>	<b>(10,018)</b>	<b>(10,273)</b>	<b>(12,213)</b>
Equities issued/Others	86	0	0	0	0
Debt raised/repaid	(5,939)	26,490	4,349	0	(12,000)
Interest expenses	(704)	(1,095)	(3,068)	(3,270)	(2,742)
Dividends paid	(8,598)	(12,702)	(1,761)	(5,081)	(5,589)
Other financing cash flows	(508)	244	(940)	0	0
<b>Cash flow from financing</b>	<b>(15,663)</b>	<b>12,937</b>	<b>(1,421)</b>	<b>(8,351)</b>	<b>(20,331)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>3,315</b>	<b>(511)</b>	<b>(4,789)</b>	<b>(2,799)</b>	<b>(3,656)</b>
<b>Closing cash &amp; cash eq.</b>	<b>13,736</b>	<b>13,225</b>	<b>8,436</b>	<b>5,636</b>	<b>7,465</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21A	FY22E	FY23E
Reported EPS	6.7	1.3	(1.0)	1.2	3.5
Adjusted EPS	6.8	0.8	(1.1)	1.2	3.5
Dividend per share	2.9	4.3	0.6	1.7	1.9
Book value per share	28.4	24.7	23.8	23.3	24.9

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21A	FY22E	FY23E
EV/Sales	1.2	1.9	2.3	1.6	1.3
EV/EBITDA	11.5	29.3	66.0	24.7	16.3
Adjusted P/E	17.5	144.9	(110.6)	95.2	33.9
P/BV	4.2	4.8	5.0	5.1	4.8

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21A	FY22E	FY23E
Tax burden (Net profit/PBT)	79.2	109.2	73.2	77.5	77.5
Interest burden (PBT/EBIT)	97.5	57.7	442.6	59.0	82.8
EBIT margin (EBIT/Revenue)	8.7	3.5	(0.6)	3.4	5.4
Asset turnover (Rev./Avg TA)	319.1	175.4	140.1	212.4	280.8
Leverage (Avg TA/Avg Equity)	1.2	1.3	1.5	1.6	1.5
<b>Adjusted ROAE</b>	<b>25.4</b>	<b>5.1</b>	<b>(4.2)</b>	<b>5.3</b>	<b>14.5</b>

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21A	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	10.0	(39.3)	(14.4)	51.4	26.9
EBITDA	14.7	(61.8)	(54.4)	180.3	54.4
Adjusted EPS	14.9	(80.0)			181.2
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	10.4	6.6	3.5	6.5	7.9
EBIT margin	8.7	3.5	(0.6)	3.4	5.4
Adjusted profit margin	6.7	2.2	(2.0)	1.6	3.5
Adjusted ROAE	23.8	5.4	(4.3)	5.3	14.0
ROCE	22.1	4.1	(0.6)	5.7	11.8
<b>Working capital days (days)</b>					
Receivables	21	38	48	45	37
Inventory	28	40	40	34	29
Payables	90	115	125	105	93
<b>Ratios (x)</b>					
Gross asset turnover	0.3	0.5	0.7	0.5	0.4
Current ratio	1.0	1.1	1.0	1.0	0.9
Net interest coverage ratio	(36.4)	(5.7)	0.3	(2.4)	(5.8)
<b>Adjusted debt/equity</b>	<b>0.1</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.3</b>

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – BJAUT

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>302,500</b>	<b>299,187</b>	<b>277,411</b>	<b>334,691</b>	<b>366,372</b>
EBITDA	49,820	50,962	49,285	56,474	62,619
Depreciation	2,657	2,464	2,593	2,765	2,933
EBIT	67,076	65,833	59,457	67,652	73,629
Net interest inc./(exp.)	(45)	(32)	(67)	(70)	(70)
Other inc./(exp.)	19,913	17,335	12,765	13,942	13,942
Exceptional items	(2,724)	0	0	0	0
EBT	64,308	65,802	59,390	67,582	73,559
Income taxes	20,280	14,802	13,844	17,031	18,537
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>44,028</b>	<b>50,999</b>	<b>45,546</b>	<b>50,551</b>	<b>55,022</b>
Adjustments	2,724	0	0	0	0
<b>Adjusted net profit</b>	<b>46,752</b>	<b>50,999</b>	<b>45,546</b>	<b>50,551</b>	<b>55,022</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	37,867	31,997	45,738	33,503	36,543
Other current liabilities	9,306	8,955	9,170	6,581	8,274
Provisions	1,564	2,385	1,544	1,795	1,724
Debt funds	1,245	1,256	1,215	1,215	1,215
Other liabilities	596	421	392	392	392
Equity capital	2,894	2,894	2,894	2,894	2,894
Reserves & surplus	214,905	196,361	249,129	251,066	257,475
Shareholders' fund	217,799	199,254	252,023	253,960	260,368
<b>Total liab. and equities</b>	<b>268,377</b>	<b>244,269</b>	<b>310,081</b>	<b>297,445</b>	<b>308,515</b>
Cash and cash eq.	9,228	3,083	5,277	3,022	4,214
Accounts receivables	25,597	17,251	27,169	26,832	27,850
Inventories	9,615	10,635	14,939	15,093	14,405
Other current assets	10,421	10,846	18,102	17,429	17,458
Investments	191,594	181,960	226,310	216,309	226,310
Net fixed assets	17,639	16,990	16,649	16,884	16,452
CWIP	480	602	160	400	350
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(5,427)	(3,464)	(5,225)	(5,225)	(5,225)
Other assets	9,229	6,366	6,700	6,700	6,700
<b>Total assets</b>	<b>268,377</b>	<b>244,269</b>	<b>310,081</b>	<b>297,445</b>	<b>308,515</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>16,391</b>	<b>40,286</b>	<b>26,581</b>	<b>25,587</b>	<b>48,244</b>
Capital expenditures	(1,429)	(1,937)	(1,810)	(3,240)	(2,450)
Change in investments	(15,711)	9,634	(44,350)	10,000	(10,000)
Other investing cash flows	19,913	17,335	12,765	13,942	13,942
<b>Cash flow from investing</b>	<b>2,774</b>	<b>25,032</b>	<b>(33,395)</b>	<b>20,702</b>	<b>1,492</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	38	11	(41)	0	0
Interest expenses	(45)	(32)	(67)	(70)	(70)
Dividends paid	(17,362)	(62,579)	(40,511)	(48,614)	(48,614)
Other financing cash flows	2,192	(1,963)	1,761	0	0
<b>Cash flow from financing</b>	<b>(15,177)</b>	<b>(64,563)</b>	<b>(38,858)</b>	<b>(48,684)</b>	<b>(48,684)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>3,988</b>	<b>756</b>	<b>(45,673)</b>	<b>(2,395)</b>	<b>1,052</b>
<b>Closing cash &amp; cash eq.</b>	<b>9,228</b>	<b>3,083</b>	<b>5,277</b>	<b>3,022</b>	<b>4,214</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	161.6	176.2	157.4	174.7	190.1
Adjusted EPS	152.2	176.2	157.4	174.7	190.1
Dividend per share	60.0	216.3	140.0	168.0	168.0
Book value per share	752.7	688.6	870.9	877.6	899.8

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	3.8	3.8	4.1	3.5	3.2
EV/EBITDA	23.1	22.4	23.3	20.8	18.8
Adjusted P/E	26.3	22.7	25.4	22.9	21.0
P/BV	5.3	5.8	4.6	4.6	4.4

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	72.7	77.5	76.7	74.8	74.8
Interest burden (PBT/EBIT)	95.9	100.0	99.9	99.9	99.9
EBIT margin (EBIT/Revenue)	22.2	22.0	21.4	20.2	20.1
Asset turnover (Rev./Avg TA)	146.3	142.3	122.1	131.5	141.6
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.0	1.0	1.0
<b>Adjusted ROAE</b>	<b>22.9</b>	<b>24.5</b>	<b>20.2</b>	<b>20.0</b>	<b>21.4</b>

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	19.9	(1.1)	(7.3)	20.6	9.5
EBITDA	3.7	2.3	(3.3)	14.6	10.9
Adjusted EPS	14.9	9.1	(10.7)	11.0	8.8
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	16.5	17.0	17.8	16.9	17.1
EBIT margin	22.2	22.0	21.4	20.2	20.1
Adjusted profit margin	15.5	17.0	16.4	15.1	15.0
Adjusted ROAE	22.9	24.5	20.2	20.0	21.4
ROCE	22.2	24.3	20.1	19.9	21.3
<b>Working capital days (days)</b>					
Receivables	24	26	29	29	27
Inventory	10	12	17	16	15
Payables	59	61	72	60	49
<b>Ratios (x)</b>					
Gross asset turnover	0.1	0.1	0.2	0.1	0.1
Current ratio	1.1	1.0	1.2	1.5	1.4
Net interest coverage ratio	(1,497.2)	(2,083.3)	(892.7)	(966.5)	(1,051.8)
<b>Adjusted debt/equity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – HMCL

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>336,505</b>	<b>288,361</b>	<b>308,006</b>	<b>352,605</b>	<b>388,430</b>
EBITDA	49,301	39,580	40,191	45,268	50,306
Depreciation	6,020	8,180	6,769	7,248	7,836
EBIT	50,193	39,184	39,221	45,650	51,508
Net interest inc./(exp.)	(86)	(220)	(218)	(220)	(220)
Other inc./(exp.)	6,912	7,783	5,799	7,630	9,037
Exceptional items	(934)	6,774	0	0	0
EBT	49,173	45,737	39,003	45,430	51,288
Income taxes	16,259	9,404	9,362	11,448	12,924
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>32,915</b>	<b>36,333</b>	<b>29,641</b>	<b>33,981</b>	<b>38,363</b>
Adjustments	934	(6,774)	0	0	0
<b>Adjusted net profit</b>	<b>33,849</b>	<b>29,559</b>	<b>29,641</b>	<b>33,981</b>	<b>38,363</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	34,556	30,305	52,046	47,700	52,547
Other current liabilities	6,158	7,990	8,913	13,767	8,315
Provisions	590	2,689	3,328	3,328	3,328
Debt funds	0	0	0	0	0
Other liabilities	1,172	1,217	1,298	1,298	1,298
Equity capital	400	400	400	400	400
Reserves & surplus	128,172	140,965	151,585	169,592	191,980
Shareholders' fund	128,572	141,364	151,985	169,991	192,379
<b>Total liab. and equities</b>	<b>171,047</b>	<b>183,565</b>	<b>217,570</b>	<b>236,085</b>	<b>257,868</b>
Cash and cash eq.	1,365	2,419	2,572	1,751	2,188
Accounts receivables	28,216	16,031	24,268	27,856	30,298
Inventories	10,724	10,920	14,696	14,104	15,537
Other current assets	9,181	7,244	6,601	6,767	6,874
Investments	59,686	82,227	104,997	112,997	127,997
Net fixed assets	46,186	61,171	62,471	70,223	72,387
CWIP	5,419	3,413	1,779	2,200	2,400
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(5,365)	(3,928)	(4,041)	(4,041)	(4,041)
Other assets	15,636	4,070	4,229	4,229	4,229
<b>Total assets</b>	<b>171,047</b>	<b>183,565</b>	<b>217,570</b>	<b>236,085</b>	<b>257,868</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>3,922</b>	<b>57,253</b>	<b>42,250</b>	<b>30,726</b>	<b>32,355</b>
Capital expenditures	(7,895)	(21,159)	(6,435)	(15,421)	(10,200)
Change in investments	15,566	(22,540)	(22,770)	(8,000)	(15,000)
Other investing cash flows	6,912	7,783	5,799	7,630	9,037
<b>Cash flow from investing</b>	<b>14,583</b>	<b>(35,916)</b>	<b>(23,407)</b>	<b>(15,792)</b>	<b>(16,163)</b>
Equities issued/Others	57	44	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(86)	(220)	(218)	(220)	(220)
Dividends paid	(18,974)	(19,170)	(20,959)	(15,975)	(15,975)
Other financing cash flows	249	(1,437)	113	0	0
<b>Cash flow from financing</b>	<b>(18,754)</b>	<b>(20,783)</b>	<b>(21,065)</b>	<b>(16,195)</b>	<b>(16,195)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(249)</b>	<b>555</b>	<b>(2,222)</b>	<b>(1,261)</b>	<b>(3)</b>
<b>Closing cash &amp; cash eq.</b>	<b>1,365</b>	<b>2,419</b>	<b>2,572</b>	<b>1,751</b>	<b>2,188</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	169.5	148.0	148.4	170.2	192.1
Adjusted EPS	169.5	148.0	148.4	170.2	192.1
Dividend per share	95.0	80.0	105.0	80.0	80.0
Book value per share	643.9	707.9	761.1	851.3	963.4

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	1.7	2.0	1.9	1.6	1.5
EV/EBITDA	11.7	14.6	14.3	12.7	11.5
Adjusted P/E	17.1	19.6	19.5	17.0	15.1
P/BV	4.5	4.1	3.8	3.4	3.0

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	68.8	64.6	76.0	74.8	74.8
Interest burden (PBT/EBIT)	98.0	116.7	99.4	99.5	99.6
EBIT margin (EBIT/Revenue)	14.9	13.6	12.7	12.9	13.3
Asset turnover (Rev./Avg TA)	270.7	211.8	208.2	217.3	212.9
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.0	1.0	1.0
<b>Adjusted ROAE</b>	<b>27.5</b>	<b>21.9</b>	<b>20.2</b>	<b>21.1</b>	<b>21.2</b>

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	4.4	(14.3)	6.8	14.5	10.2
EBITDA	(6.6)	(19.7)	1.5	12.6	11.1
Adjusted EPS	(8.5)	(12.7)	0.3	14.6	12.9
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	14.7	13.7	13.0	12.8	13.0
EBIT margin	14.9	13.6	12.7	12.9	13.3
Adjusted profit margin	10.1	10.3	9.6	9.6	9.9
Adjusted ROAE	26.3	20.9	19.5	20.0	19.9
ROCE	27.0	22.9	20.1	21.0	21.1
<b>Working capital days (days)</b>					
Receivables	24	28	24	27	27
Inventory	10	14	15	15	14
Payables	54	60	69	73	66
<b>Ratios (x)</b>					
Gross asset turnover	0.3	0.5	0.5	0.5	0.4
Current ratio	1.2	0.9	0.7	0.8	0.9
Net interest coverage ratio	(583.6)	(177.9)	(179.6)	(207.5)	(234.1)
<b>Adjusted debt/equity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – MSIL

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>860,203</b>	<b>756,106</b>	<b>703,325</b>	<b>937,711</b>	<b>1,043,110</b>
EBITDA	109,993	73,026	53,453	81,071	98,841
Depreciation	30,189	35,257	30,315	33,451	36,951
EBIT	105,414	71,977	52,602	83,530	102,279
Net interest inc./(exp.)	(758)	(1,329)	(1,008)	(800)	(800)
Other inc./(exp.)	25,610	34,208	29,464	35,909	40,389
Exceptional items	(16,694)	0	0	0	0
EBT	104,656	70,648	51,594	82,730	101,479
Income taxes	29,650	14,142	9,297	16,546	20,296
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>75,006</b>	<b>56,506</b>	<b>42,297</b>	<b>66,184</b>	<b>81,184</b>
Adjustments	16,694	0	0	0	0
<b>Adjusted net profit</b>	<b>91,700</b>	<b>56,506</b>	<b>42,297</b>	<b>66,184</b>	<b>81,184</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	102,741	78,549	101,681	137,450	128,702
Other current liabilities	24,293	19,484	47,208	33,878	41,266
Provisions	12,973	14,274	7,875	7,875	7,875
Debt funds	22,256	22,860	26,629	26,629	26,629
Other liabilities	0	0	0	0	0
Equity capital	1,510	1,510	1,510	1,510	1,510
Reserves & surplus	459,905	482,860	523,496	565,514	622,531
Shareholders' fund	461,415	484,370	525,006	567,024	624,041
<b>Total liab. and equities</b>	<b>623,678</b>	<b>619,537</b>	<b>708,399</b>	<b>772,856</b>	<b>828,514</b>
Cash and cash eq.	1,789	211	31,981	17,443	16,674
Accounts receivables	23,104	21,270	12,766	18,754	20,862
Inventories	33,257	32,149	30,500	40,322	44,854
Other current assets	15,011	13,547	34,485	34,044	34,782
Investments	365,150	364,676	417,867	479,867	529,867
Net fixed assets	154,078	157,812	152,545	154,094	152,143
CWIP	16,001	13,374	11,923	12,000	13,000
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(5,640)	(715)	(715)	(715)	(715)
Other assets	20,928	17,213	17,047	17,047	17,047
<b>Total assets</b>	<b>623,678</b>	<b>619,537</b>	<b>708,399</b>	<b>772,856</b>	<b>828,514</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>68,322</b>	<b>34,644</b>	<b>75,978</b>	<b>69,996</b>	<b>68,208</b>
Capital expenditures	(45,419)	(36,364)	(23,597)	(35,077)	(36,000)
Change in investments	(12,248)	474	(53,191)	(62,000)	(50,000)
Other investing cash flows	25,610	34,208	29,464	35,909	40,389
<b>Cash flow from investing</b>	<b>(32,057)</b>	<b>(1,682)</b>	<b>(47,324)</b>	<b>(61,168)</b>	<b>(45,611)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	5,030	604	3,769	0	0
Interest expenses	(758)	(1,329)	(1,008)	(800)	(800)
Dividends paid	(24,166)	(24,166)	(13,594)	(24,166)	(24,166)
Other financing cash flows	51	(4,925)	0	0	0
<b>Cash flow from financing</b>	<b>(19,843)</b>	<b>(29,816)</b>	<b>(10,833)</b>	<b>(24,966)</b>	<b>(24,966)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>16,422</b>	<b>3,146</b>	<b>17,821</b>	<b>(16,138)</b>	<b>(2,369)</b>
<b>Closing cash &amp; cash eq.</b>	<b>1,789</b>	<b>211</b>	<b>31,981</b>	<b>17,443</b>	<b>16,674</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	193.0	187.1	140.0	219.1	268.7
Adjusted EPS	193.0	187.1	140.0	219.1	268.7
Dividend per share	80.0	80.0	45.0	80.0	80.0
Book value per share	1,527.5	1,603.5	1,738.0	1,877.1	2,065.8

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	2.6	3.0	3.2	2.4	2.1
EV/EBITDA	20.4	30.7	42.0	27.5	22.6
Adjusted P/E	38.7	39.9	53.4	34.1	27.8
P/BV	4.9	4.7	4.3	4.0	3.6

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	55.7	80.0	82.0	80.0	80.0
Interest burden (PBT/EBIT)	99.3	98.2	98.1	99.0	99.2
EBIT margin (EBIT/Revenue)	12.3	9.5	7.5	8.9	9.8
Asset turnover (Rev./Avg TA)	187.3	152.6	132.8	163.8	167.7
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.0	1.0	1.0
Adjusted ROAE	13.3	11.9	8.4	12.1	13.6

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	7.8	(12.1)	(7.0)	33.3	11.2
EBITDA	(8.8)	(33.6)	(26.8)	51.7	21.9
Adjusted EPS	(8.9)	(3.1)	(25.1)	56.5	22.7
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	12.8	9.7	7.6	8.6	9.5
EBIT margin	12.3	9.5	7.5	8.9	9.8
Adjusted profit margin	10.7	7.5	6.0	7.1	7.8
Adjusted ROAE	13.3	11.9	8.4	12.1	13.6
ROCE	16.0	11.3	7.9	11.4	12.9
<b>Working capital days (days)</b>					
Receivables	8	11	9	6	7
Inventory	20	22	22	14	15
Payables	65	61	65	64	64
<b>Ratios (x)</b>					
Gross asset turnover	0.3	0.4	0.5	0.4	0.4
Current ratio	0.5	0.6	0.7	0.6	0.7
Net interest coverage ratio	(139.1)	(54.2)	(52.2)	(104.4)	(127.8)
Adjusted debt/equity	0.0	0.0	0.1	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – TVSL

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>182,099</b>	<b>164,233</b>	<b>167,505</b>	<b>193,453</b>	<b>212,634</b>
EBITDA	14,332	13,459	14,286	16,749	18,611
Depreciation	3,993	4,890	4,937	5,418	5,904
EBIT	10,415	8,889	9,678	11,706	13,124
Net interest inc./(exp.)	(806)	(1,022)	(1,416)	(1,150)	(1,150)
Other inc./(exp.)	75	321	330	376	417
Exceptional items	13	(323)	0	0	0
EBT	9,623	7,544	8,262	10,556	11,973
Income taxes	2,908	1,622	2,142	2,660	3,017
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>6,715</b>	<b>5,922</b>	<b>6,120</b>	<b>7,896</b>	<b>8,956</b>
Adjustments	(13)	323	0	0	0
<b>Adjusted net profit</b>	<b>6,701</b>	<b>6,246</b>	<b>6,120</b>	<b>7,896</b>	<b>8,956</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	29,472	28,864	39,216	36,897	39,473
Other current liabilities	3,440	4,620	6,039	8,785	7,668
Provisions	597	1,763	1,763	1,763	1,763
Debt funds	14,000	19,746	12,781	12,781	12,781
Other liabilities	586	858	938	938	938
Equity capital	475	475	475	475	475
Reserves & surplus	32,999	35,706	41,161	46,689	52,958
Shareholders' fund	33,474	36,181	41,637	47,164	53,433
<b>Total liab. and equities</b>	<b>81,568</b>	<b>92,031</b>	<b>102,373</b>	<b>108,327</b>	<b>116,057</b>
Cash and cash eq.	439	4,193	11,651	8,393	8,539
Accounts receivables	14,141	12,814	8,700	12,720	13,399
Inventories	11,759	10,389	11,518	12,720	13,399
Other current assets	5,210	6,488	4,952	6,360	6,991
Investments	23,007	26,059	33,145	35,145	40,645
Net fixed assets	25,793	28,999	30,103	30,684	30,780
CWIP	2,572	2,854	2,787	2,787	2,787
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(2,126)	(1,581)	(1,748)	(1,748)	(1,748)
Other assets	773	1,816	1,265	1,265	1,265
<b>Total assets</b>	<b>81,567</b>	<b>92,032</b>	<b>102,373</b>	<b>108,327</b>	<b>116,057</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>8,752</b>	<b>11,808</b>	<b>26,235</b>	<b>5,584</b>	<b>12,766</b>
Capital expenditures	(7,328)	(8,379)	(5,973)	(6,000)	(6,000)
Change in investments	(2,653)	(3,052)	(7,086)	(2,000)	(5,500)
Other investing cash flows	75	321	330	376	417
<b>Cash flow from investing</b>	<b>(9,906)</b>	<b>(11,110)</b>	<b>(12,729)</b>	<b>(7,624)</b>	<b>(11,083)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	2,108	5,746	(6,965)	0	0
Interest expenses	(806)	(1,022)	(1,416)	(1,150)	(1,150)
Dividends paid	(2,000)	(2,000)	(665)	(2,369)	(2,687)
Other financing cash flows	645	(546)	167	0	0
<b>Cash flow from financing</b>	<b>(53)</b>	<b>2,178</b>	<b>(8,879)</b>	<b>(3,519)</b>	<b>(3,837)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(1,207)</b>	<b>2,876</b>	<b>4,627</b>	<b>(5,559)</b>	<b>(2,155)</b>
<b>Closing cash &amp; cash eq.</b>	<b>439</b>	<b>4,193</b>	<b>11,651</b>	<b>8,393</b>	<b>8,539</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	14.1	12.5	12.9	16.6	18.9
Adjusted EPS	14.1	12.5	12.9	16.6	18.9
Dividend per share	3.5	3.5	1.4	5.0	5.7
Book value per share	70.5	76.2	87.6	99.3	112.5

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	1.6	1.7	1.7	1.4	1.3
EV/EBITDA	20.0	21.3	19.8	16.3	14.8
Adjusted P/E	42.5	48.2	46.6	36.1	31.9
P/BV	8.5	7.9	6.9	6.1	5.3

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	69.8	78.5	74.1	74.8	74.8
Interest burden (PBT/EBIT)	92.4	84.9	85.4	90.2	91.2
EBIT margin (EBIT/Revenue)	5.7	5.4	5.8	6.1	6.2
Asset turnover (Rev./Avg TA)	407.9	313.3	298.7	332.9	332.1
Leverage (Avg TA/Avg Equity)	1.4	1.5	1.4	1.3	1.3
Adjusted ROAE	21.6	17.0	15.7	17.8	17.8

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	20.0	(9.8)	2.0	15.5	9.9
EBITDA	22.0	(6.1)	6.1	17.2	11.1
Adjusted EPS	3.9	(11.8)	3.3	29.0	13.4
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	7.9	8.2	8.5	8.7	8.8
EBIT margin	5.7	5.4	5.8	6.1	6.2
Adjusted profit margin	3.7	3.8	3.7	4.1	4.2
Adjusted ROAE	20.0	17.3	14.7	16.7	16.8
ROCE	16.3	13.3	12.8	15.1	15.3
<b>Working capital days (days)</b>					
Receivables	24	30	23	20	22
Inventory	21	25	24	23	22
Payables	72	88	98	94	86
<b>Ratios (x)</b>					
Gross asset turnover	0.3	0.4	0.4	0.4	0.4
Current ratio	0.9	1.0	0.8	0.8	0.9
Net interest coverage ratio	(12.9)	(8.7)	(6.8)	(10.2)	(11.4)
Adjusted debt/equity	0.4	0.5	0.3	0.3	0.2

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – EIM

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>97,945</b>	<b>90,775</b>	<b>86,190</b>	<b>105,998</b>	<b>125,493</b>
EBITDA	29,269	22,038	17,865	22,320	27,846
Depreciation	2,989	3,779	4,460	4,996	5,895
EBIT	31,360	24,412	17,925	24,142	31,759
Net interest inc./(exp.)	(30)	(109)	(92)	(80)	(90)
Other inc./(exp.)	5,080	6,153	4,520	6,817	9,808
Exceptional items	141	0	0	0	0
EBT	31,471	24,303	17,833	24,062	31,669
Income taxes	10,785	5,265	4,536	6,064	7,981
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	2,584	317	311	342	377
<b>Reported net profit</b>	<b>23,269</b>	<b>19,356</b>	<b>13,608</b>	<b>18,340</b>	<b>24,065</b>
Adjustments	(141)	0	0	0	0
<b>Adjusted net profit</b>	<b>20,544</b>	<b>19,356</b>	<b>13,608</b>	<b>18,340</b>	<b>24,065</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	11,807	10,208	15,174	18,444	19,446
Other current liabilities	5,222	7,641	8,216	8,170	10,801
Provisions	1,991	974	1,123	1,000	1,000
Debt funds	764	0	0	0	0
Other liabilities	961	1,693	2,475	2,475	2,475
Equity capital	273	273	273	273	273
Reserves & surplus	70,992	82,481	96,776	109,318	126,187
Shareholders' fund	71,265	82,753	97,049	109,591	126,459
<b>Total liab. and equities</b>	<b>92,009</b>	<b>103,270</b>	<b>124,037</b>	<b>139,680</b>	<b>160,182</b>
Cash and cash eq.	29,401	29,264	57,988	27,082	34,659
Accounts receivables	1,127	1,340	2,562	3,180	3,137
Inventories	6,053	5,181	7,691	8,480	8,785
Other current assets	2,525	2,457	8,740	3,180	4,038
Investments	30,465	39,256	20,448	70,448	80,448
Net fixed assets	18,708	23,687	24,234	25,238	27,343
CWIP	4,497	3,122	3,102	2,800	2,500
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(2,765)	(2,520)	(2,211)	(2,211)	(2,211)
Other assets	1,998	1,484	1,484	1,484	1,484
<b>Total assets</b>	<b>92,009</b>	<b>103,269</b>	<b>124,037</b>	<b>139,680</b>	<b>160,182</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>13,088</b>	<b>18,781</b>	<b>10,096</b>	<b>23,853</b>	<b>22,576</b>
Capital expenditures	(7,890)	(7,383)	(4,987)	(5,698)	(7,700)
Change in investments	8,195	(8,791)	18,808	(50,000)	(10,000)
Other investing cash flows	5,080	6,153	4,520	6,817	9,808
<b>Cash flow from investing</b>	<b>5,385</b>	<b>(10,020)</b>	<b>18,342</b>	<b>(48,881)</b>	<b>(7,892)</b>
Equities issued/Others	548	439	0	0	0
Debt raised/repaid	(96)	(764)	0	0	0
Interest expenses	(30)	(109)	(92)	(80)	(90)
Dividends paid	(2,999)	(8,087)	(4,910)	(5,456)	(6,820)
Other financing cash flows	1,335	(245)	(309)	0	0
<b>Cash flow from financing</b>	<b>(1,242)</b>	<b>(8,766)</b>	<b>(5,312)</b>	<b>(5,536)</b>	<b>(6,910)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>17,231</b>	<b>(4)</b>	<b>23,126</b>	<b>(30,564)</b>	<b>7,774</b>
<b>Closing cash &amp; cash eq.</b>	<b>29,401</b>	<b>29,264</b>	<b>57,988</b>	<b>27,082</b>	<b>34,659</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	75.8	69.8	48.7	66.0	86.8
Adjusted EPS	75.8	69.8	48.7	66.0	86.8
Dividend per share	11.0	25.0	18.0	20.0	25.0
Book value per share	261.2	303.3	355.8	401.7	463.6

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	7.4	7.8	8.2	6.5	5.6
EV/EBITDA	24.9	31.9	39.3	30.7	25.2
Adjusted P/E	35.8	38.9	55.6	41.1	31.2
P/BV	10.4	8.9	7.6	6.8	5.9

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	65.7	78.3	74.6	74.8	74.8
Interest burden (PBT/EBIT)	100.4	99.6	99.5	99.7	99.7
EBIT margin (EBIT/Revenue)	32.0	26.9	20.8	22.8	25.3
Asset turnover (Rev./Avg TA)	152.5	115.3	93.7	100.2	104.1
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.0	1.0	1.0
Adjusted ROAE	33.1	24.7	14.8	17.4	20.1

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	9.3	(7.3)	(5.1)	23.0	18.4
EBITDA	2.6	(24.7)	(18.9)	24.9	24.8
Adjusted EPS	20.7	(8.0)	(30.2)	35.4	31.6
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	29.9	24.3	20.7	21.1	22.2
EBIT margin	32.0	26.9	20.8	22.8	25.3
Adjusted profit margin	21.0	21.3	15.8	17.3	19.2
Adjusted ROAE	28.8	23.4	14.0	16.7	19.0
ROCE	32.1	24.3	14.5	17.1	19.7
<b>Working capital days (days)</b>					
Receivables	4	5	8	10	9
Inventory	18	23	27	28	25
Payables	83	81	91	96	92
<b>Ratios (x)</b>					
Gross asset turnover	0.3	0.4	0.5	0.4	0.4
Current ratio	2.1	2.0	3.1	1.5	1.6
Net interest coverage ratio	1,048.8	224.0	194.8	301.8	352.9
Adjusted debt/equity	0.0	0.0	0.0	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – MM

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>528,482</b>	<b>448,655</b>	<b>445,744</b>	<b>530,988</b>	<b>573,361</b>
EBITDA	75,301	63,506	69,766	71,175	80,415
Depreciation	20,030	23,631	23,624	28,415	33,468
EBIT	71,573	55,266	58,115	59,475	64,787
Net interest inc./(exp.)	1,467	1,245	3,957	4,000	4,000
Other inc./(exp.)	16,303	15,391	11,973	16,715	17,840
Exceptional items	(227)	(28,111)	(31,745)	0	0
EBT	70,106	54,021	54,158	55,475	60,787
Income taxes	15,867	18,513	13,183	13,980	15,318
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>54,012</b>	<b>7,397</b>	<b>9,229</b>	<b>41,495</b>	<b>45,469</b>
Adjustments	227	28,111	31,745	0	0
<b>Adjusted net profit</b>	<b>54,239</b>	<b>35,509</b>	<b>40,974</b>	<b>41,495</b>	<b>45,469</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	103,607	72,006	106,438	115,224	123,531
Other current liabilities	38,713	30,229	48,845	21,437	19,135
Provisions	16,152	15,781	15,077	15,077	15,077
Debt funds	26,803	31,530	72,143	72,143	72,143
Other liabilities	6,062	7,274	8,898	8,898	8,898
Equity capital	5,958	5,965	5,974	5,974	5,974
Reserves & surplus	343,979	340,326	347,239	379,418	415,572
Shareholders' fund	349,937	346,291	353,212	385,392	421,546
<b>Total liab. and equities</b>	<b>541,272</b>	<b>503,111</b>	<b>604,613</b>	<b>618,172</b>	<b>660,330</b>
Cash and cash eq.	38,321	42,365	62,555	36,921	36,839
Accounts receivables	38,119	29,012	22,012	37,169	34,402
Inventories	47,631	40,408	47,827	58,409	63,070
Other current assets	48,700	37,496	45,920	47,789	51,603
Investments	206,262	175,329	222,862	222,862	252,862
Net fixed assets	144,967	169,093	181,325	192,910	199,442
CWIP	0	0	0	0	0
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(7,896)	(15,068)	(14,497)	(14,497)	(14,497)
Other assets	25,168	24,475	36,609	36,609	36,609
<b>Total assets</b>	<b>541,272</b>	<b>503,111</b>	<b>604,613</b>	<b>618,172</b>	<b>660,330</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>52,610</b>	<b>33,978</b>	<b>89,574</b>	<b>10,966</b>	<b>65,394</b>
Capital expenditures	(34,928)	(47,757)	(35,856)	(40,000)	(40,000)
Change in investments	(12,263)	30,933	(47,533)	0	(30,000)
Other investing cash flows	16,303	15,391	11,973	16,715	17,840
<b>Cash flow from investing</b>	<b>(30,887)</b>	<b>(1,433)</b>	<b>(71,415)</b>	<b>(23,285)</b>	<b>(52,160)</b>
Equities issued/Others	8	7	9	0	0
Debt raised/repaid	(5,339)	4,728	40,613	0	0
Interest expenses	(1,467)	(1,245)	(3,957)	(4,000)	(4,000)
Dividends paid	(12,035)	(3,327)	(10,868)	(9,315)	(9,315)
Other financing cash flows	3,339	7,172	(571)	0	0
<b>Cash flow from financing</b>	<b>(15,494)</b>	<b>7,334</b>	<b>25,225</b>	<b>(13,315)</b>	<b>(13,315)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>6,228</b>	<b>39,879</b>	<b>43,384</b>	<b>(25,635)</b>	<b>(82)</b>
<b>Closing cash &amp; cash eq.</b>	<b>38,321</b>	<b>42,365</b>	<b>62,555</b>	<b>36,921</b>	<b>36,839</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	43.7	28.6	33.0	33.4	36.6
Adjusted EPS	43.7	28.6	33.0	33.4	36.6
Dividend per share	8.5	2.4	8.8	7.5	7.5
Book value per share	281.7	278.8	284.4	310.3	339.4

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	1.8	2.0	2.0	1.6	1.6
EV/EBITDA	12.5	14.5	12.8	12.2	11.2
Adjusted P/E	17.7	27.0	23.4	23.1	21.1
P/BV	2.7	2.8	2.7	2.5	2.3

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	77.0	13.7	17.0	74.8	74.8
Interest burden (PBT/EBIT)	98.0	97.7	93.2	93.3	93.8
EBIT margin (EBIT/Revenue)	13.5	12.3	13.0	11.2	11.3
Asset turnover (Rev./Avg TA)	145.9	116.9	108.8	117.9	118.3
Leverage (Avg TA/Avg Equity)	1.1	1.1	1.2	1.2	1.2
Adjusted ROAE	16.5	2.1	2.6	11.2	11.3

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	11.1	(15.1)	(0.6)	19.1	8.0
EBITDA	6.9	(15.7)	9.9	2.0	13.0
Adjusted EPS	29.5	(34.5)	15.4	1.3	9.6
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	14.2	14.2	15.7	13.4	14.0
EBIT margin	13.5	12.3	13.0	11.2	11.3
Adjusted profit margin	10.3	7.9	9.2	7.8	7.9
Adjusted ROAE	16.6	10.2	11.7	11.2	11.3
ROCE	14.4	8.8	10.0	9.3	9.4
<b>Working capital days (days)</b>					
Receivables	24	27	21	20	23
Inventory	41	54	53	37	39
Payables	100	107	108	109	109
<b>Ratios (x)</b>					
Gross asset turnover	0.3	0.4	0.5	0.5	0.5
Current ratio	1.1	1.3	1.0	1.2	1.2
Net interest coverage ratio	48.8	44.4	14.7	14.9	16.2
Adjusted debt/equity	0.1	0.1	0.2	0.2	0.2

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – CEAT

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
<b>Total revenue</b>	<b>68,313</b>	<b>65,811</b>	<b>75,728</b>	<b>90,149</b>	<b>101,298</b>
EBITDA	5,965	7,053	9,738	8,901	10,438
Depreciation	1,743	2,554	3,396	4,155	4,987
EBIT	4,775	4,912	6,660	4,912	5,616
Net interest inc./(exp.)	(677)	(1,230)	(1,731)	(1,801)	(2,378)
Other inc./(exp.)	553	413	318	165	165
Exceptional items	340	(298)	(341)	0	0
EBT	4,438	3,385	4,589	3,111	3,238
Income taxes	1,209	678	453	784	816
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>3,229</b>	<b>2,708</b>	<b>4,136</b>	<b>2,327</b>	<b>2,422</b>
Adjustments	(340)	298	341	0	0
<b>Adjusted net profit</b>	<b>2,889</b>	<b>3,005</b>	<b>4,477</b>	<b>2,327</b>	<b>2,422</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
Accounts payables	12,078	11,714	19,436	18,178	19,509
Other current liabilities	4,498	6,933	10,370	12,573	12,821
Provisions	1,436	1,598	1,525	1,525	1,525
Debt funds	12,605	15,676	13,620	19,120	24,120
Other liabilities	414	1,645	1,645	1,645	1,645
Equity capital	405	405	405	405	405
Reserves & surplus	27,106	28,869	30,515	32,843	35,265
Shareholders' fund	27,510	29,274	30,920	33,247	35,669
<b>Total liab. and equities</b>	<b>58,541</b>	<b>66,839</b>	<b>77,516</b>	<b>86,288</b>	<b>95,289</b>
Cash and cash eq.	597	266	386	332	332
Accounts receivables	7,265	7,047	9,223	9,879	10,824
Inventories	9,652	8,795	11,125	11,855	12,489
Other current assets	2,133	2,066	2,315	2,439	2,548
Investments	3,130	3,202	1,181	1,181	1,181
Net fixed assets	28,463	38,205	47,884	56,730	64,743
CWIP	7,494	9,338	7,029	5,500	4,800
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(2,077)	(2,611)	(2,656)	(2,656)	(2,656)
Other assets	1,884	532	1,029	1,029	1,029
<b>Total assets</b>	<b>58,542</b>	<b>66,839</b>	<b>77,516</b>	<b>86,288</b>	<b>95,289</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
<b>Cash flow from operations</b>	<b>5,575</b>	<b>11,990</b>	<b>13,068</b>	<b>7,552</b>	<b>9,513</b>
Capital expenditures	(11,434)	(14,139)	(10,766)	(11,471)	(12,300)
Change in investments	70	(72)	2,021	0	0
Other investing cash flows	553	413	318	165	165
<b>Cash flow from investing</b>	<b>(10,811)</b>	<b>(13,798)</b>	<b>(8,427)</b>	<b>(11,306)</b>	<b>(12,135)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	6,196	3,071	(2,056)	5,500	5,000
Interest expenses	(677)	(1,230)	(1,731)	(1,801)	(2,378)
Dividends paid	(465)	(1,150)	(728)	0	0
Other financing cash flows	49	785	(7)	0	0
<b>Cash flow from financing</b>	<b>5,103</b>	<b>1,476</b>	<b>(4,520)</b>	<b>3,699</b>	<b>2,622</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(133)</b>	<b>(332)</b>	<b>121</b>	<b>(54)</b>	<b>0</b>
<b>Closing cash &amp; cash eq.</b>	<b>597</b>	<b>266</b>	<b>386</b>	<b>332</b>	<b>332</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21A	FY22E	FY23E
Reported EPS	71.4	74.3	110.7	57.5	59.9
Adjusted EPS	71.4	74.3	110.7	57.5	59.9
Dividend per share	11.5	24.0	18.0	0.0	0.0
Book value per share	680.1	723.7	764.4	821.9	881.8

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21A	FY22E	FY23E
EV/Sales	0.9	0.9	0.9	0.8	0.7
EV/EBITDA	10.0	8.8	6.9	7.6	6.6
Adjusted P/E	18.5	17.7	11.9	22.9	22.0
P/BV	1.9	1.8	1.7	1.6	1.5

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21A	FY22E	FY23E
Tax burden (Net profit/PBT)	65.1	88.8	97.6	74.8	74.8
Interest burden (PBT/EBIT)	92.9	68.9	68.9	63.3	57.7
EBIT margin (EBIT/Revenue)	7.0	7.5	8.8	5.4	5.5
Asset turnover (Rev./Avg TA)	187.7	151.1	163.2	179.9	175.5
Leverage (Avg TA/Avg Equity)	1.4	1.5	1.5	1.6	1.7
Adjusted ROAE	10.9	10.6	14.9	7.3	7.0

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21A	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	10.0	(3.7)	15.1	19.0	12.4
EBITDA	(1.6)	18.2	38.1	(8.6)	17.3
Adjusted EPS	3.7	4.0	49.0	(48.0)	4.1
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	8.7	10.7	12.9	9.9	10.3
EBIT margin	7.0	7.5	8.8	5.4	5.5
Adjusted profit margin	4.2	4.6	5.9	2.6	2.4
Adjusted ROAE	10.5	10.3	14.5	7.0	6.8
ROCE	9.5	9.0	12.9	7.3	7.3
<b>Working capital days (days)</b>					
Receivables	38	40	39	39	37
Inventory	46	51	48	47	44
Payables	92	113	134	128	114
<b>Ratios (x)</b>					
Gross asset turnover	0.5	0.7	0.8	0.8	0.8
Current ratio	1.1	0.9	0.7	0.8	0.8
Net interest coverage ratio	(7.1)	(4.0)	(3.8)	(2.7)	(2.4)
Adjusted debt/equity	0.5	0.5	0.4	0.6	0.7

Source: Company, BOBCAPS Research | Note: TA = Total Assets



## Financials – APTY

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>175,488</b>	<b>163,270</b>	<b>173,970</b>	<b>194,362</b>	<b>215,347</b>
EBITDA	17,762	19,155	27,975	24,288	26,917
Depreciation	8,127	11,381	13,150	14,466	15,770
EBIT	10,868	8,243	16,119	10,922	12,247
Net interest inc./(exp.)	(1,986)	(2,808)	(4,430)	(3,961)	(4,037)
Other inc./(exp.)	1,232	469	1,293	1,100	1,100
Exceptional items	2,000	0	(6,077)	0	0
EBT	10,881	5,434	5,612	6,961	8,210
Income taxes	2,083	670	2,110	2,158	2,545
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>8,798</b>	<b>4,764</b>	<b>3,502</b>	<b>4,803</b>	<b>5,665</b>
Adjustments	(2,000)	0	6,077	0	0
<b>Adjusted net profit</b>	<b>6,798</b>	<b>4,764</b>	<b>9,579</b>	<b>4,803</b>	<b>5,665</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	22,102	23,090	28,067	28,804	29,459
Other current liabilities	8,960	16,980	33,324	30,722	34,607
Provisions	3,466	4,421	4,440	4,377	5,102
Debt funds	49,304	65,799	51,114	53,114	53,114
Other liabilities	7,975	15,433	20,047	20,047	20,047
Equity capital	572	572	635	635	635
Reserves & surplus	99,826	98,728	117,111	119,930	123,046
Shareholders' fund	100,398	99,300	117,746	120,565	123,681
<b>Total liab. and equities</b>	<b>192,206</b>	<b>225,023</b>	<b>254,739</b>	<b>257,630</b>	<b>266,011</b>
Cash and cash eq.	5,626	7,496	24,772	6,554	5,038
Accounts receivables	11,547	9,399	13,808	14,577	16,151
Inventories	34,841	32,069	33,185	38,872	41,993
Other current assets	5,275	8,282	7,534	9,718	9,691
Investments	60	194	1,096	1,096	1,096
Net fixed assets	117,540	154,484	164,196	175,729	181,959
CWIP	15,393	16,420	11,065	12,000	11,000
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(7,707)	(7,032)	(7,020)	(7,020)	(7,020)
Other assets	9,630	3,711	6,103	6,103	6,103
<b>Total assets</b>	<b>192,205</b>	<b>225,023</b>	<b>254,739</b>	<b>257,630</b>	<b>266,011</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>2,284</b>	<b>43,451</b>	<b>44,650</b>	<b>11,562</b>	<b>16,897</b>
Capital expenditures	(13,988)	(49,352)	(17,506)	(26,935)	(21,000)
Change in investments	13,365	(134)	(902)	0	0
Other investing cash flows	1,232	469	1,293	1,100	1,100
<b>Cash flow from investing</b>	<b>609</b>	<b>(49,017)</b>	<b>(17,115)</b>	<b>(25,835)</b>	<b>(19,900)</b>
Equities issued/Others	0	0	10,863	(63)	0
Debt raised/repaid	2,693	16,494	(14,684)	2,000	0
Interest expenses	(1,986)	(2,808)	(4,430)	(3,961)	(4,037)
Dividends paid	(2,069)	(4,310)	(1,996)	(1,921)	(2,549)
Other financing cash flows	(1,896)	(1,941)	(12)	0	0
<b>Cash flow from financing</b>	<b>(3,258)</b>	<b>7,435</b>	<b>(10,259)</b>	<b>(3,945)</b>	<b>(6,586)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(365)</b>	<b>1,869</b>	<b>17,276</b>	<b>(18,218)</b>	<b>(9,589)</b>
<b>Closing cash &amp; cash eq.</b>	<b>5,626</b>	<b>7,496</b>	<b>24,772</b>	<b>6,554</b>	<b>5,038</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	11.9	8.3	15.1	7.6	8.9
Adjusted EPS	15.4	8.3	5.5	7.6	8.9
Dividend per share	3.0	3.0	3.1	3.0	4.0
Book value per share	175.5	173.6	185.4	189.9	194.8

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	0.9	1.1	1.0	0.9	0.8
EV/EBITDA	9.4	9.0	6.5	7.1	6.2
Adjusted P/E	14.8	27.4	41.4	30.2	25.6
P/BV	1.3	1.3	1.2	1.2	1.2

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	80.9	87.7	62.4	69.0	69.0
Interest burden (PBT/EBIT)	100.1	65.9	34.8	63.7	67.0
EBIT margin (EBIT/Revenue)	6.2	5.0	9.3	5.6	5.7
Asset turnover (Rev./Avg TA)	112.9	96.5	94.2	101.6	110.3
Leverage (Avg TA/Avg Equity)	1.6	1.7	1.7	1.6	1.6
<b>Adjusted ROAE</b>	<b>8.9</b>	<b>4.8</b>	<b>3.2</b>	<b>4.0</b>	<b>4.6</b>

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	18.2	(7.0)	6.6	11.7	10.8
EBITDA	6.5	7.8	46.0	(13.2)	10.8
Adjusted EPS	(6.1)	(29.9)	81.2	(49.9)	17.9
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	10.1	11.7	16.1	12.5	12.5
EBIT margin	6.2	5.0	9.3	5.6	5.7
Adjusted profit margin	3.9	2.9	5.5	2.5	2.6
Adjusted ROAE	6.8	4.8	8.1	4.0	4.6
ROCE	5.7	4.3	5.4	3.9	4.3
<b>Working capital days (days)</b>					
Receivables	27	23	24	27	26
Inventory	67	75	68	68	69
Payables	85	91	99	94	87
<b>Ratios (x)</b>					
Gross asset turnover	1.1	1.5	1.5	1.5	1.5
Current ratio	1.7	1.3	1.2	1.1	1.1
Net interest coverage ratio	5.5	2.9	3.6	2.8	3.0
<b>Adjusted debt/equity</b>	<b>0.5</b>	<b>0.7</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – BIL

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>52,445</b>	<b>47,825</b>	<b>57,579</b>	<b>68,594</b>	<b>72,709</b>
EBITDA	13,125	12,494	17,855	19,332	20,492
Depreciation	3,326	3,680	4,062	4,587	5,187
EBIT	11,941	11,302	15,408	16,867	18,267
Net interest inc./(exp.)	(111)	(73)	(98)	(127)	(112)
Other inc./(exp.)	2,142	2,488	1,615	2,122	2,962
Exceptional items	(428)	0	0	0	0
EBT	11,402	11,229	15,310	16,741	18,155
Income taxes	4,010	1,779	3,756	4,219	4,575
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	4	5	6	7	8
<b>Reported net profit</b>	<b>7,392</b>	<b>9,450</b>	<b>11,554</b>	<b>12,522</b>	<b>13,580</b>
Adjustments	428	0	0	0	0
<b>Adjusted net profit</b>	<b>7,820</b>	<b>9,450</b>	<b>11,554</b>	<b>12,522</b>	<b>13,580</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	4,094	3,610	6,335	6,540	6,499
Other current liabilities	1,377	2,404	2,401	2,608	2,930
Provisions	77	278	299	299	299
Debt funds	8,296	8,612	8,934	7,934	6,934
Other liabilities	410	344	327	327	327
Equity capital	387	387	387	387	387
Reserves & surplus	46,400	49,895	59,685	69,703	80,567
Shareholders' fund	46,787	50,281	60,072	70,090	80,954
<b>Total liab. and equities</b>	<b>61,042</b>	<b>65,530</b>	<b>78,367</b>	<b>87,797</b>	<b>97,942</b>
Cash and cash eq.	556	455	571	766	689
Accounts receivables	5,681	6,492	7,301	8,645	9,163
Inventories	7,130	5,804	9,093	9,396	9,562
Other current assets	3,351	2,508	3,029	3,759	3,984
Investments	10,831	10,631	14,182	21,182	28,182
Net fixed assets	27,861	32,771	33,342	36,755	38,569
CWIP	5,854	5,856	8,555	5,000	5,500
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(3,255)	(1,783)	(2,035)	(2,035)	(2,035)
Other assets	3,033	2,796	4,329	4,329	4,329
<b>Total assets</b>	<b>61,042</b>	<b>65,529</b>	<b>78,367</b>	<b>87,797</b>	<b>97,942</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>7,034</b>	<b>12,988</b>	<b>10,673</b>	<b>13,149</b>	<b>15,288</b>
Capital expenditures	(7,367)	(8,591)	(7,332)	(4,445)	(7,500)
Change in investments	202	200	(3,552)	(7,000)	(7,000)
Other investing cash flows	2,142	2,488	1,615	2,122	2,962
<b>Cash flow from investing</b>	<b>(5,023)</b>	<b>(5,904)</b>	<b>(9,269)</b>	<b>(9,323)</b>	<b>(11,538)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(59)	316	321	(1,000)	(1,000)
Interest expenses	(111)	(73)	(98)	(127)	(112)
Dividends paid	(1,688)	(5,127)	(3,283)	(2,504)	(2,716)
Other financing cash flows	(272)	(2,301)	1,772	0	0
<b>Cash flow from financing</b>	<b>(2,129)</b>	<b>(7,185)</b>	<b>(1,288)</b>	<b>(3,631)</b>	<b>(3,828)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(118)</b>	<b>(101)</b>	<b>116</b>	<b>195</b>	<b>(78)</b>
<b>Closing cash &amp; cash eq.</b>	<b>556</b>	<b>455</b>	<b>571</b>	<b>766</b>	<b>689</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	40.5	48.9	59.8	64.8	70.3
Adjusted EPS	40.5	48.9	59.8	64.8	70.3
Dividend per share	7.5	22.0	17.0	13.0	14.1
Book value per share	242.0	260.1	310.8	362.6	418.8

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	8.7	9.5	7.9	6.6	6.2
EV/EBITDA	34.8	36.4	25.4	23.5	22.2
Adjusted P/E	57.1	47.2	38.6	35.6	32.9
P/BV	9.5	8.9	7.4	6.4	5.5

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	68.6	84.2	75.5	74.8	74.8
Interest burden (PBT/EBIT)	95.5	99.4	99.4	99.3	99.4
EBIT margin (EBIT/Revenue)	22.8	23.6	26.8	24.6	25.1
Asset turnover (Rev./Avg TA)	99.8	83.4	89.6	92.9	87.3
Leverage (Avg TA/Avg Equity)	1.2	1.2	1.2	1.1	1.1
Adjusted ROAE	17.8	19.5	20.9	19.2	18.0

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	17.9	(8.8)	20.4	19.1	6.0
EBITDA	18.5	(4.8)	42.9	8.3	6.0
Adjusted EPS	5.8	20.8	22.3	8.4	8.5
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	25.0	26.1	31.0	28.2	28.2
EBIT margin	22.8	23.6	26.8	24.6	25.1
Adjusted profit margin	14.9	19.8	20.1	18.3	18.7
Adjusted ROAE	16.7	18.8	19.2	17.9	16.8
ROCE	14.7	16.6	18.1	17.1	16.4
<b>Working capital days (days)</b>					
Receivables	37	46	44	42	45
Inventory	45	49	47	49	48
Payables	63	66	79	79	75
<b>Ratios (x)</b>					
Gross asset turnover	0.8	1.0	0.9	0.9	0.9
Current ratio	3.0	2.4	2.2	2.4	2.4
Net interest coverage ratio	107.6	154.8	156.9	133.3	163.8
Adjusted debt/equity	0.2	0.2	0.1	0.1	0.1

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – MRF

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
<b>Total revenue</b>	<b>158,370</b>	<b>159,911</b>	<b>159,214</b>	<b>192,643</b>	<b>213,721</b>
EBITDA	22,504	23,237	28,947	28,662	32,381
Depreciation	8,063	9,806	11,369	13,432	15,668
EBIT	18,616	16,736	19,650	17,146	18,909
Net interest inc./(exp.)	(2,528)	(2,743)	(2,647)	(1,449)	(1,449)
Other inc./(exp.)	4,175	3,305	2,072	1,917	2,197
Exceptional items	(1,356)	0	0	0	0
EBT	14,733	13,993	17,003	15,697	17,460
Income taxes	5,120	43	4,512	3,956	4,400
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>9,613</b>	<b>13,950</b>	<b>12,491</b>	<b>11,741</b>	<b>13,060</b>
Adjustments	1,356	0	0	0	0
<b>Adjusted net profit</b>	<b>10,969</b>	<b>13,950</b>	<b>12,491</b>	<b>11,741</b>	<b>13,060</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
Accounts payables	23,276	23,401	42,449	49,803	52,570
Other current liabilities	21,389	24,404	26,970	35,468	38,100
Provisions	1,571	3,422	4,110	4,110	4,110
Debt funds	18,675	10,210	8,526	8,526	8,526
Other liabilities	2,441	5,781	4,969	4,969	4,969
Equity capital	42	42	42	42	42
Reserves & surplus	106,491	120,001	131,746	143,211	155,962
Shareholders' fund	106,533	120,044	131,789	143,253	156,005
<b>Total liab. and equities</b>	<b>173,885</b>	<b>187,263</b>	<b>218,811</b>	<b>246,127</b>	<b>264,279</b>
Cash and cash eq.	601	11,069	1,053	1,150	1,131
Accounts receivables	23,616	22,570	22,205	26,970	29,921
Inventories	29,509	28,527	28,803	36,602	38,470
Other current assets	1,775	151	94	193	214
Investments	38,484	15,402	58,762	54,762	62,762
Net fixed assets	67,675	88,492	93,911	110,479	116,811
CWIP	14,032	17,346	10,010	12,000	11,000
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(8,392)	(4,278)	(3,785)	(3,785)	(3,785)
Other assets	6,585	7,985	7,756	7,756	7,756
<b>Total assets</b>	<b>173,885</b>	<b>187,263</b>	<b>218,811</b>	<b>246,127</b>	<b>264,279</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
<b>Cash flow from operations</b>	<b>9,422</b>	<b>33,778</b>	<b>46,187</b>	<b>27,896</b>	<b>25,642</b>
Capital expenditures	(18,228)	(33,937)	(9,453)	(31,990)	(21,000)
Change in investments	2,980	23,082	(43,360)	4,000	(8,000)
Other investing cash flows	4,175	3,305	2,072	1,917	2,197
<b>Cash flow from investing</b>	<b>(11,073)</b>	<b>(7,549)</b>	<b>(50,741)</b>	<b>(26,073)</b>	<b>(26,803)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	1,669	(8,465)	(1,684)	0	0
Interest expenses	(2,528)	(2,743)	(2,647)	(1,449)	(1,449)
Dividends paid	0	(509)	(636)	(277)	(308)
Other financing cash flows	1,724	(4,044)	(493)	0	0
<b>Cash flow from financing</b>	<b>866</b>	<b>(15,761)</b>	<b>(5,461)</b>	<b>(1,726)</b>	<b>(1,757)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(786)</b>	<b>10,468</b>	<b>(10,015)</b>	<b>97</b>	<b>(2,918)</b>
<b>Closing cash &amp; cash eq.</b>	<b>601</b>	<b>11,069</b>	<b>1,053</b>	<b>1,150</b>	<b>1,131</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21A	FY22E	FY23E
Reported EPS	2,587.0	3,290.0	2,945.9	2,769.2	3,080.1
Adjusted EPS	2,587.0	3,290.0	2,945.9	2,769.2	3,080.1
Dividend per share	0.0	100.0	150.0	65.3	72.6
Book value per share	25,125.7	28,312.1	31,082.2	33,786.1	36,793.6

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21A	FY22E	FY23E
EV/Sales	2.2	2.2	2.2	1.8	1.6
EV/EBITDA	15.7	15.2	11.9	11.9	10.6
Adjusted P/E	31.0	24.4	27.2	29.0	26.0
P/BV	3.2	2.8	2.6	2.4	2.2

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21A	FY22E	FY23E
Tax burden (Net profit/PBT)	74.4	99.7	73.5	74.8	74.8
Interest burden (PBT/EBIT)	79.1	83.6	86.5	91.5	92.3
EBIT margin (EBIT/Revenue)	11.8	10.5	12.3	8.9	8.8
Asset turnover (Rev./Avg TA)	130.5	121.3	113.2	127.6	131.0
Leverage (Avg TA/Avg Equity)	1.2	1.2	1.1	1.1	1.1
Adjusted ROAE	10.8	12.3	9.9	8.5	8.7

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21A	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	7.2	1.0	(0.4)	21.0	10.9
EBITDA	1.0	3.3	24.6	(1.0)	13.0
Adjusted EPS	0.4	27.2	(10.5)	(6.0)	11.2
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	14.2	14.5	18.2	14.9	15.2
EBIT margin	11.8	10.5	12.3	8.9	8.8
Adjusted profit margin	6.9	8.7	7.8	6.1	6.1
Adjusted ROAE	10.3	11.6	9.5	8.2	8.4
ROCE	9.4	12.0	9.9	8.3	8.4
<b>Working capital days (days)</b>					
Receivables	52	53	51	47	49
Inventory	59	66	66	62	64
Payables	76	90	130	142	142
<b>Ratios (x)</b>					
Gross asset turnover	0.6	0.8	0.9	0.9	0.9
Current ratio	1.2	1.2	0.7	0.7	0.7
Net interest coverage ratio	7.4	6.1	7.4	11.8	13.0
Adjusted debt/equity	0.2	0.1	0.1	0.1	0.1

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – MDA

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>30,920</b>	<b>28,131</b>	<b>23,679</b>	<b>28,261</b>	<b>31,716</b>
EBITDA	2,941	2,499	2,170	2,930	3,499
Depreciation	883	1,179	936	994	1,156
EBIT	2,868	1,764	1,566	2,308	2,745
Net interest inc./(exp.)	(507)	(499)	(358)	(285)	(285)
Other inc./(exp.)	810	443	332	372	402
Exceptional items	(117)	(2,933)	(407)	0	0
EBT	2,244	(1,668)	800	2,023	2,460
Income taxes	669	454	312	510	620
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>1,575</b>	<b>(1,998)</b>	<b>528</b>	<b>1,714</b>	<b>2,090</b>
Adjustments	117	2,933	407	0	0
<b>Adjusted net profit</b>	<b>1,692</b>	<b>935</b>	<b>935</b>	<b>1,714</b>	<b>2,090</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	4,159	5,093	4,847	4,932	5,176
Other current liabilities	952	928	2,263	2,556	2,973
Provisions	250	1,155	355	355	355
Debt funds	6,806	6,427	4,069	4,069	4,069
Other liabilities	218	34	329	329	329
Equity capital	500	500	525	525	525
Reserves & surplus	11,451	9,250	10,941	12,140	13,604
Shareholders' fund	11,951	9,750	11,466	12,666	14,129
<b>Total liab. and equities</b>	<b>24,336</b>	<b>23,386</b>	<b>23,329</b>	<b>24,905</b>	<b>27,030</b>
Cash and cash eq.	3,530	4,724	4,943	4,903	4,926
Accounts receivables	5,464	3,898	4,420	4,491	5,040
Inventories	4,464	3,949	3,959	4,258	4,779
Other current assets	1,035	1,021	1,622	1,662	1,670
Investments	1,650	1,761	1,805	2,305	2,805
Net fixed assets	7,316	7,629	6,127	6,811	7,355
CWIP	210	285	178	200	180
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(84)	(30)	(34)	(34)	(34)
Other assets	751	149	310	310	310
<b>Total assets</b>	<b>24,336</b>	<b>23,386</b>	<b>23,329</b>	<b>24,905</b>	<b>27,030</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>1,907</b>	<b>3,479</b>	<b>1,190</b>	<b>2,587</b>	<b>2,713</b>
Capital expenditures	(1,135)	(1,567)	673	(1,700)	(1,680)
Change in investments	(257)	(111)	(43)	(500)	(500)
Other investing cash flows	810	443	332	372	402
<b>Cash flow from investing</b>	<b>(582)</b>	<b>(1,235)</b>	<b>962</b>	<b>(1,828)</b>	<b>(1,778)</b>
Equities issued/Others	3,064	6	25	0	0
Debt raised/repaid	(426)	(379)	(2,359)	0	0
Interest expenses	(507)	(499)	(358)	(285)	(285)
Dividends paid	(96)	(199)	(148)	(514)	(627)
Other financing cash flows	(91)	21	907	0	0
<b>Cash flow from financing</b>	<b>1,944</b>	<b>(1,050)</b>	<b>(1,932)</b>	<b>(799)</b>	<b>(912)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>3,269</b>	<b>1,194</b>	<b>220</b>	<b>(40)</b>	<b>23</b>
<b>Closing cash &amp; cash eq.</b>	<b>3,530</b>	<b>4,724</b>	<b>4,943</b>	<b>4,903</b>	<b>4,926</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	7.5	4.1	3.9	7.2	8.7
Adjusted EPS	7.5	4.1	3.9	7.2	8.7
Dividend per share	0.3	0.8	0.6	2.1	2.6
Book value per share	52.8	43.0	48.0	53.0	59.1

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	0.9	0.9	0.9	0.8	0.7
EV/EBITDA	9.8	10.1	10.3	7.9	6.8
Adjusted P/E	16.9	30.6	32.3	17.6	14.4
P/BV	2.4	2.9	2.6	2.4	2.1

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	75.4	(56.1)	116.9	84.7	85.0
Interest burden (PBT/EBIT)	78.2	(94.6)	51.1	87.7	89.6
EBIT margin (EBIT/Revenue)	9.3	6.3	6.6	8.2	8.7
Asset turnover (Rev./Avg TA)	182.6	159.9	147.7	171.7	178.2
Leverage (Avg TA/Avg Equity)	1.7	1.6	1.5	1.4	1.3
Adjusted ROAE	17.5	8.6	8.8	14.2	15.6

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	19.2	(9.0)	(15.8)	19.3	12.2
EBITDA	6.7	(15.0)	(13.2)	35.0	19.4
Adjusted EPS	8.9	(44.7)	(5.2)	83.2	22.0
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	9.5	8.9	9.2	10.4	11.0
EBIT margin	9.3	6.3	6.6	8.2	8.7
Adjusted profit margin	5.5	3.3	3.9	6.1	6.6
Adjusted ROAE	14.2	9.6	8.2	13.5	14.8
ROCE	11.9	12.8	6.0	10.5	11.5
<b>Working capital days (days)</b>					
Receivables	66	61	64	58	55
Inventory	53	55	61	53	52
Payables	83	99	122	100	92
<b>Ratios (x)</b>					
Gross asset turnover	0.0	0.0	0.0	0.0	0.0
Current ratio	2.7	1.9	2.0	2.0	1.9
Net interest coverage ratio	(5.7)	(3.5)	(4.4)	(8.1)	(9.6)
Adjusted debt/equity	0.6	0.7	0.4	0.3	0.3

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – JKI

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>103,699</b>	<b>87,249</b>	<b>91,022</b>	<b>104,021</b>	<b>115,831</b>
EBITDA	10,251	9,876	13,064	10,678	12,133
Depreciation	3,157	3,778	3,867	4,058	4,168
EBIT	7,915	6,381	9,627	6,914	8,274
Net interest inc./(exp.)	(5,211)	(5,490)	(4,659)	(4,112)	(3,850)
Other inc./(exp.)	821	284	431	294	309
Exceptional items	231	(1,059)	375	0	0
EBT	2,936	(168)	5,344	2,802	4,425
Income taxes	942	(1,658)	2,009	841	1,327
Extraordinary items	0	(95)	116	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>1,937</b>	<b>1,508</b>	<b>3,193</b>	<b>1,961</b>	<b>3,097</b>
Adjustments	(231)	1,059	(375)	0	0
<b>Adjusted net profit</b>	<b>1,706</b>	<b>2,567</b>	<b>2,819</b>	<b>1,961</b>	<b>3,097</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	15,990	16,884	15,741	18,241	20,752
Other current liabilities	5,776	10,467	14,312	15,772	16,182
Provisions	223	1,196	1,117	0	0
Debt funds	57,575	51,241	40,163	38,163	35,163
Other liabilities	4,817	6,055	7,060	7,060	7,060
Equity capital	492	493	493	493	493
Reserves & surplus	23,713	23,768	27,285	29,089	31,815
Shareholders' fund	24,206	24,261	27,777	29,582	32,307
<b>Total liab. and equities</b>	<b>108,587</b>	<b>110,103</b>	<b>106,171</b>	<b>108,818</b>	<b>111,464</b>
Cash and cash eq.	1,697	1,365	1,721	1,742	1,513
Accounts receivables	19,451	18,484	15,754	19,379	21,262
Inventories	16,891	16,178	17,893	18,524	19,993
Other current assets	6,419	6,025	6,733	7,125	7,616
Investments	1,312	1,402	1,470	1,470	1,470
Net fixed assets	62,276	63,888	62,551	60,993	59,825
CWIP	2,698	2,772	2,864	2,400	2,600
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(4,101)	(2,030)	(3,221)	(3,221)	(3,221)
Other assets	1,945	2,018	405	405	405
<b>Total assets</b>	<b>108,587</b>	<b>110,103</b>	<b>106,171</b>	<b>108,818</b>	<b>111,464</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>7,194</b>	<b>20,288</b>	<b>17,196</b>	<b>8,032</b>	<b>9,884</b>
Capital expenditures	(3,621)	(5,464)	(2,622)	(2,036)	(3,200)
Change in investments	(30)	(91)	(68)	0	0
Other investing cash flows	763	(131)	547	294	309
<b>Cash flow from investing</b>	<b>(2,888)</b>	<b>(5,686)</b>	<b>(2,144)</b>	<b>(1,742)</b>	<b>(2,891)</b>
Equities issued/Others	1,969	0	0	0	0
Debt raised/repaid	(538)	(6,334)	(11,078)	(2,000)	(3,000)
Interest expenses	(5,211)	(5,490)	(4,659)	(4,112)	(3,850)
Dividends paid	(340)	(216)	(225)	(157)	(372)
Other financing cash flows	202	(2,892)	1,265	0	0
<b>Cash flow from financing</b>	<b>(3,917)</b>	<b>(14,933)</b>	<b>(14,697)</b>	<b>(6,269)</b>	<b>(7,221)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>390</b>	<b>(331)</b>	<b>356</b>	<b>21</b>	<b>(229)</b>
<b>Closing cash &amp; cash eq.</b>	<b>1,697</b>	<b>1,365</b>	<b>1,721</b>	<b>1,742</b>	<b>1,513</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	6.9	10.4	11.4	8.0	12.6
Adjusted EPS	6.9	10.4	11.4	8.0	12.6
Dividend per share	1.4	0.7	0.9	0.6	1.5
Book value per share	92.8	94.7	108.5	115.8	126.9

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	0.9	1.0	1.0	0.8	0.6
EV/EBITDA	8.8	9.3	6.7	7.4	6.0
Adjusted P/E	20.7	13.7	12.5	18.0	11.4
P/BV	1.5	1.5	1.3	1.2	1.1

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	58.1	(1530.5)	52.7	70.0	70.0
Interest burden (PBT/EBIT)	37.1	(2.6)	55.5	40.5	53.5
EBIT margin (EBIT/Revenue)	7.6	7.3	10.6	6.6	7.1
Asset turnover (Rev./Avg TA)	121.9	103.8	116.3	138.9	155.1
Leverage (Avg TA/Avg Equity)	4.0	3.6	3.1	2.7	2.5
Adjusted ROAE	8.0	11.1	11.3	7.1	10.4

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	25.4	(15.9)	4.3	14.3	11.4
EBITDA	41.3	(3.7)	32.3	(18.3)	13.6
Adjusted EPS	137.9	50.4	9.8	(30.4)	57.9
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	9.9	11.3	14.4	10.3	10.5
EBIT margin	7.6	7.3	10.6	6.6	7.1
Adjusted profit margin	1.6	2.9	3.1	1.9	2.7
Adjusted ROAE	7.0	10.6	10.1	6.6	9.6
ROCE	6.3	7.6	7.7	6.5	7.8
<b>Working capital days (days)</b>					
Receivables	61	79	69	62	64
Inventory	55	69	68	64	61
Payables	75	112	109	93	96
<b>Ratios (x)</b>					
Gross asset turnover	0.9	1.1	1.1	1.0	0.9
Current ratio	2.0	1.5	1.4	1.4	1.4
Net interest coverage ratio	1.5	1.2	2.1	1.7	2.1
Adjusted debt/equity	2.5	2.2	1.5	1.3	1.1

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – SRTY

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>23,818</b>	<b>20,522</b>	<b>18,758</b>	<b>21,804</b>	<b>24,908</b>
EBITDA	2,592	2,139	2,235	2,199	2,707
Depreciation	828	977	1,011	1,205	1,496
EBIT	1,878	1,258	1,277	1,067	1,325
Net interest inc./(exp.)	(345)	(359)	(310)	(265)	(452)
Other inc./(exp.)	114	95	53	73	113
Exceptional items	0	0	(2)	0	0
EBT	1,533	898	965	802	872
Income taxes	501	54	237	202	220
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>1,032</b>	<b>845</b>	<b>728</b>	<b>600</b>	<b>652</b>
Adjustments	0	0	2	0	0
<b>Adjusted net profit</b>	<b>1,032</b>	<b>845</b>	<b>730</b>	<b>600</b>	<b>652</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	3,526	2,113	2,877	2,885	3,338
Other current liabilities	1,336	1,840	2,133	2,578	2,750
Provisions	40	137	177	177	177
Debt funds	4,127	3,288	1,413	3,413	4,813
Other liabilities	988	867	868	868	868
Equity capital	77	77	77	77	77
Reserves & surplus	7,355	7,543	8,329	8,741	9,168
Shareholders' fund	7,432	7,620	8,406	8,818	9,244
<b>Total liab. and equities</b>	<b>17,448</b>	<b>15,865</b>	<b>15,873</b>	<b>18,738</b>	<b>21,190</b>
Cash and cash eq.	165	111	73	32	29
Accounts receivables	3,236	1,970	2,325	2,628	3,003
Inventories	4,888	4,105	4,161	4,779	5,323
Other current assets	753	903	444	777	819
Investments	1,069	1,091	1,629	1,509	1,499
Net fixed assets	6,222	6,466	6,470	8,266	9,770
CWIP	339	482	424	400	400
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(555)	(230)	(296)	(296)	(296)
Other assets	1,332	967	643	643	643
<b>Total assets</b>	<b>17,448</b>	<b>15,865</b>	<b>15,873</b>	<b>18,738</b>	<b>21,190</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>727</b>	<b>3,418</b>	<b>3,756</b>	<b>1,195</b>	<b>1,247</b>
Capital expenditures	(1,177)	(1,364)	(958)	(2,976)	(3,000)
Change in investments	(390)	(22)	(538)	120	10
Other investing cash flows	114	95	53	73	113
<b>Cash flow from investing</b>	<b>(1,452)</b>	<b>(1,291)</b>	<b>(1,443)</b>	<b>(2,783)</b>	<b>(2,877)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	1,008	(839)	(1,875)	2,000	1,400
Interest expenses	(345)	(359)	(310)	(265)	(452)
Dividends paid	(306)	(185)	(235)	(188)	(226)
Other financing cash flows	379	(797)	66	0	0
<b>Cash flow from financing</b>	<b>735</b>	<b>(2,180)</b>	<b>(2,354)</b>	<b>1,546</b>	<b>722</b>
<b>Chg in cash &amp; cash eq.</b>	<b>10</b>	<b>(53)</b>	<b>(40)</b>	<b>(41)</b>	<b>(908)</b>
<b>Closing cash &amp; cash eq.</b>	<b>165</b>	<b>111</b>	<b>73</b>	<b>32</b>	<b>29</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	134.7	110.3	95.3	78.3	85.2
Adjusted EPS	134.7	110.3	95.3	78.3	85.2
Dividend per share	40.0	24.2	30.7	24.6	29.5
Book value per share	970.2	994.8	1,097.4	1,151.1	1,206.8

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	0.8	1.0	1.1	0.9	0.8
EV/EBITDA	7.7	9.6	9.2	8.8	7.2
Adjusted P/E	16.7	20.4	23.6	28.7	26.4
P/BV	2.3	2.3	2.0	2.0	1.9

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	67.3	94.0	75.7	74.8	74.8
Interest burden (PBT/EBIT)	81.6	71.4	75.5	75.1	65.8
EBIT margin (EBIT/Revenue)	7.9	6.1	6.8	4.9	5.3
Asset turnover (Rev./Avg TA)	205.4	168.8	167.0	183.3	177.8
Leverage (Avg TA/Avg Equity)	1.7	1.6	1.4	1.4	1.6
Adjusted ROAE	14.8	11.2	9.1	7.0	7.2

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	10.7	(13.8)	(8.6)	16.2	14.2
EBITDA	2.3	(17.5)	4.5	(1.6)	23.1
Adjusted EPS	(12.3)	(18.1)	(13.6)	(17.8)	8.8
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	10.9	10.4	11.9	10.1	10.9
EBIT margin	7.9	6.1	6.8	4.9	5.3
Adjusted profit margin	4.3	4.1	3.9	2.8	2.6
Adjusted ROAE	13.9	11.1	8.7	6.8	7.1
ROCE	10.9	9.7	8.6	6.7	7.1
<b>Working capital days (days)</b>					
Receivables	43	46	42	41	41
Inventory	63	80	80	75	74
Payables	69	88	90	87	82
<b>Ratios (x)</b>					
Gross asset turnover	0.4	0.5	0.6	0.6	0.7
Current ratio	1.8	1.7	1.4	1.5	1.5
Net interest coverage ratio	5.4	3.5	4.1	4.0	2.9
Adjusted debt/equity	0.6	0.4	0.2	0.4	0.5

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – ESC

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>62,620</b>	<b>58,101</b>	<b>70,144</b>	<b>75,370</b>	<b>80,770</b>
EBITDA	7,226	6,624	11,268	10,221	10,960
Depreciation	872	1,072	1,183	1,284	1,400
EBIT	7,345	6,528	11,689	11,605	13,278
Net interest inc./(exp.)	(195)	(172)	(133)	(130)	(130)
Other inc./(exp.)	992	976	1,604	2,668	3,718
Exceptional items	(131)	(103)	0	0	0
EBT	7,019	6,252	11,555	11,475	13,148
Income taxes	2,371	1,535	2,832	2,892	3,313
Extraordinary items	(10)	(5)	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>4,658</b>	<b>4,722</b>	<b>8,724</b>	<b>8,583</b>	<b>9,835</b>
Adjustments	131	103	0	0	0
<b>Adjusted net profit</b>	<b>4,789</b>	<b>4,825</b>	<b>8,724</b>	<b>8,583</b>	<b>9,835</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	11,055	12,929	11,954	13,217	14,463
Other current liabilities	4,156	3,403	3,980	4,352	3,044
Provisions	1,201	1,563	2,958	2,958	2,958
Debt funds	2,810	192	17	17	17
Other liabilities	540	535	837	837	837
Equity capital	1,226	1,226	1,348	1,348	1,348
Reserves & surplus	25,509	29,948	48,036	55,946	65,106
Shareholders' fund	26,735	31,174	49,385	57,294	66,454
<b>Total liab. and equities</b>	<b>46,497</b>	<b>49,796</b>	<b>69,131</b>	<b>78,675</b>	<b>87,774</b>
Cash and cash eq.	2,433	3,249	13,809	2,237	1,007
Accounts receivables	9,311	7,319	6,576	7,847	8,409
Inventories	8,574	8,834	7,182	9,292	9,737
Other current assets	3,206	3,199	2,298	5,219	5,441
Investments	4,908	7,974	19,380	32,380	40,380
Net fixed assets	16,472	17,024	18,197	19,913	21,013
CWIP	800	1,247	412	500	500
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(517)	(307)	(233)	(233)	(233)
Other assets	1,366	1,310	1,520	1,520	1,520
<b>Total assets</b>	<b>46,553</b>	<b>49,847</b>	<b>69,140</b>	<b>78,675</b>	<b>87,774</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>(3,452)</b>	<b>7,865</b>	<b>12,555</b>	<b>2,401</b>	<b>6,096</b>
Capital expenditures	(1,609)	(2,071)	(1,521)	(3,088)	(2,500)
Change in investments	583	(3,066)	(11,407)	(13,000)	(8,000)
Other investing cash flows	992	976	1,604	2,668	3,718
<b>Cash flow from investing</b>	<b>(34)</b>	<b>(4,161)</b>	<b>(11,324)</b>	<b>(13,420)</b>	<b>(6,782)</b>
Equities issued/Others	(30)	(8)	123	0	0
Debt raised/repaid	2,299	(2,618)	(175)	0	0
Interest expenses	(195)	(172)	(133)	(130)	(130)
Dividends paid	(239)	(260)	(1,011)	(674)	(674)
Other financing cash flows	461	(170)	10,302	0	0
<b>Cash flow from financing</b>	<b>2,296</b>	<b>(3,228)</b>	<b>9,105</b>	<b>(804)</b>	<b>(804)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(1,191)</b>	<b>477</b>	<b>10,336</b>	<b>(11,823)</b>	<b>(1,490)</b>
<b>Closing cash &amp; cash eq.</b>	<b>2,433</b>	<b>3,249</b>	<b>13,809</b>	<b>2,237</b>	<b>1,007</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	48.8	49.2	79.1	77.8	89.2
Adjusted EPS	48.8	49.2	79.1	77.8	89.2
Dividend per share	1.9	1.7	7.5	5.0	5.0
Book value per share	218.1	254.3	366.3	424.9	492.9

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	2.3	2.5	2.1	1.8	1.7
EV/EBITDA	20.0	21.9	12.8	13.0	12.8
Adjusted P/E	24.6	24.4	15.2	15.4	13.5
P/BV	5.5	4.7	3.3	2.8	2.4

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	68.2	77.2	75.5	74.8	74.8
Interest burden (PBT/EBIT)	95.6	95.8	98.9	98.9	99.0
EBIT margin (EBIT/Revenue)	11.7	11.2	16.7	15.4	16.4
Asset turnover (Rev./Avg TA)	235.4	187.1	170.7	139.1	128.8
Leverage (Avg TA/Avg Equity)	1.1	1.1	1.0	1.0	1.0
Adjusted ROAE	19.6	16.7	21.7	16.1	15.9

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	23.8	(7.2)	20.7	7.5	7.2
EBITDA	32.2	(8.3)	70.1	(9.3)	7.2
Adjusted EPS	38.0	0.8	64.4	(1.6)	14.6
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	11.5	11.4	16.1	13.6	13.6
EBIT margin	11.7	11.2	16.7	15.4	16.4
Adjusted profit margin	7.6	8.3	12.4	11.4	12.2
Adjusted ROAE	17.9	15.5	17.7	15.0	14.8
ROCE	18.3	15.9	21.5	16.0	15.8
<b>Working capital days (days)</b>					
Receivables	44	52	36	35	37
Inventory	41	55	42	40	43
Payables	93	114	98	88	91
<b>Ratios (x)</b>					
Gross asset turnover	0.4	0.5	0.4	0.4	0.4
Current ratio	1.4	1.3	1.6	1.2	1.2
Net interest coverage ratio	(37.6)	(37.9)	(87.6)	(89.3)	(102.1)
Adjusted debt/equity	0.1	0.0	0.0	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Financials – VSTT

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21P	FY22E	FY23E
<b>Total revenue</b>	<b>6,148</b>	<b>5,437</b>	<b>7,642</b>	<b>8,667</b>	<b>9,665</b>
EBITDA	461	174	1,053	1,084	1,221
Depreciation	158	164	171	203	225
EBIT	740	246	1,343	1,277	1,385
Net interest inc./(exp.)	(25)	(15)	(15)	(20)	(22)
Other inc./(exp.)	437	236	461	396	389
Exceptional items	22	0	(135)	0	0
EBT	737	231	1,192	1,257	1,363
Income taxes	255	52	285	317	343
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>482</b>	<b>179</b>	<b>908</b>	<b>941</b>	<b>1,019</b>
Adjustments	(22)	0	135	0	0
<b>Adjusted net profit</b>	<b>461</b>	<b>179</b>	<b>1,043</b>	<b>941</b>	<b>1,019</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21P	FY22E	FY23E
Accounts payables	343	578	831	754	856
Other current liabilities	695	494	864	867	879
Provisions	15	17	47	0	0
Debt funds	0	0	0	0	0
Other liabilities	461	418	434	434	434
Equity capital	86	86	86	86	86
Reserves & surplus	5,813	5,680	6,724	7,383	8,096
Shareholders' fund	5,899	5,766	6,811	7,469	8,183
<b>Total liab. and equities</b>	<b>7,413</b>	<b>7,272</b>	<b>8,988</b>	<b>9,524</b>	<b>10,352</b>
Cash and cash eq.	188	258	448	389	344
Accounts receivables	964	962	818	1,306	1,324
Inventories	1,237	1,023	1,069	1,306	1,377
Other current assets	943	734	723	950	1,059
Investments	1,653	1,788	3,343	2,743	3,243
Net fixed assets	2,057	1,839	2,260	2,458	2,633
CWIP	348	477	254	300	300
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(70)	(14)	6	6	6
Other assets	93	206	67	67	67
<b>Total assets</b>	<b>7,412</b>	<b>7,272</b>	<b>8,988</b>	<b>9,524</b>	<b>10,352</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21P	FY22E	FY23E
<b>Cash flow from operations</b>	<b>92</b>	<b>398</b>	<b>1,808</b>	<b>(347)</b>	<b>750</b>
Capital expenditures	(413)	(75)	(369)	(446)	(400)
Change in investments	389	(135)	(1,555)	600	(500)
Other investing cash flows	437	236	461	396	389
<b>Cash flow from investing</b>	<b>412</b>	<b>25</b>	<b>(1,463)</b>	<b>549</b>	<b>(511)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(25)	(15)	(15)	(20)	(22)
Dividends paid	(520)	(312)	(173)	(282)	(306)
Other financing cash flows	7	(56)	3	0	0
<b>Cash flow from financing</b>	<b>(538)</b>	<b>(384)</b>	<b>(185)</b>	<b>(302)</b>	<b>(328)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(34)</b>	<b>40</b>	<b>160</b>	<b>(99)</b>	<b>(89)</b>
<b>Closing cash &amp; cash eq.</b>	<b>188</b>	<b>258</b>	<b>448</b>	<b>389</b>	<b>344</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21P	FY22E	FY23E
Reported EPS	53.3	20.7	120.7	108.9	118.0
Adjusted EPS	53.3	20.7	120.7	108.9	118.0
Dividend per share	50.0	30.0	20.0	32.7	35.4
Book value per share	682.8	667.4	788.3	864.5	947.1

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21P	FY22E	FY23E
EV/Sales	3.0	3.5	2.4	2.1	1.9
EV/EBITDA	40.4	108.1	17.7	16.9	15.0
Adjusted P/E	40.6	104.2	17.9	19.9	18.3
P/BV	3.2	3.2	2.7	2.5	2.3

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21P	FY22E	FY23E
Tax burden (Net profit/PBT)	62.5	77.5	87.5	74.8	74.8
Interest burden (PBT/EBIT)	99.6	94.0	88.8	98.4	98.4
EBIT margin (EBIT/Revenue)	12.0	4.5	17.6	14.7	14.3
Asset turnover (Rev./Avg TA)	96.6	86.7	113.8	114.4	117.0
Leverage (Avg TA/Avg Equity)	1.1	1.1	1.1	1.1	1.1
<b>Adjusted ROAE</b>	<b>7.8</b>	<b>3.1</b>	<b>16.6</b>	<b>13.2</b>	<b>13.0</b>

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21P	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	(19.5)	(11.6)	40.6	13.4	11.5
EBITDA	(61.5)	(62.4)	506.4	3.0	12.6
Adjusted EPS	(58.9)	(61.1)	481.8	(9.8)	8.4
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	7.5	3.2	13.8	12.5	12.6
EBIT margin	12.0	4.5	17.6	14.7	14.3
Adjusted profit margin	7.5	3.3	13.6	10.9	10.5
Adjusted ROAE	7.8	3.1	15.3	12.6	12.5
ROCE	7.6	3.0	15.2	12.6	12.5
<b>Working capital days (days)</b>					
Receivables	84	65	42	45	50
Inventory	60	76	50	50	51
Payables	43	45	50	49	45
<b>Ratios (x)</b>					
Gross asset turnover	0.5	0.5	0.4	0.4	0.4
Current ratio	3.2	2.7	1.8	2.4	2.4
Net interest coverage ratio	29.7	16.7	87.2	63.9	62.9
<b>Adjusted debt/equity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: Company, BOBCAPS Research | Note: TA = Total Assets



## Financials – GNA

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>9,283</b>	<b>9,090</b>	<b>8,896</b>	<b>10,675</b>	<b>11,491</b>
EBITDA	1,451	1,245	1,439	1,571	1,694
Depreciation	347	424	407	480	546
EBIT	1,108	834	1,046	1,105	1,162
Net interest inc./(exp.)	(81)	(136)	(85)	(87)	(74)
Other inc./(exp.)	4	13	15	14	14
Exceptional items	0	0	0	0	0
EBT	1,027	698	961	1,018	1,088
Income taxes	368	171	255	257	274
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	4	5	6	7	8
<b>Reported net profit</b>	<b>659</b>	<b>528</b>	<b>706</b>	<b>762</b>	<b>814</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>659</b>	<b>528</b>	<b>706</b>	<b>762</b>	<b>814</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	1,879	1,659	2,276	3,802	3,778
Other current liabilities	60	41	1,294	1,996	2,147
Provisions	135	97	0	38	41
Debt funds	1,698	1,937	1,737	1,737	1,237
Other liabilities	0	0	0	0	0
Equity capital	215	215	215	215	215
Reserves & surplus	3,802	4,254	4,917	5,594	6,236
Shareholders' fund	4,017	4,469	5,132	5,808	6,451
<b>Total liab. and equities</b>	<b>7,788</b>	<b>8,202</b>	<b>10,439</b>	<b>13,381</b>	<b>13,654</b>
Cash and cash eq.	4	211	1,044	3,611	3,749
Accounts receivables	3,125	2,963	4,379	4,095	3,778
Inventories	1,610	1,450	1,526	1,755	1,889
Other current assets	297	330	340	351	315
Investments	0	0	0	0	0
Net fixed assets	2,288	2,445	2,948	3,368	3,723
CWIP	157	610	0	0	0
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(33)	(6)	(6)	(6)	(6)
Other assets	341	199	207	207	207
<b>Total assets</b>	<b>7,788</b>	<b>8,202</b>	<b>10,439</b>	<b>13,381</b>	<b>13,654</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Cash flow from operations</b>	<b>308</b>	<b>952</b>	<b>1,276</b>	<b>3,452</b>	<b>1,620</b>
Capital expenditures	(886)	(1,033)	(301)	(900)	(900)
Change in investments	0	0	0	0	0
Other investing cash flows	4	13	15	14	14
<b>Cash flow from investing</b>	<b>(882)</b>	<b>(1,020)</b>	<b>(286)</b>	<b>(886)</b>	<b>(886)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	275	239	(200)	0	(500)
Interest expenses	(81)	(136)	(85)	(87)	(74)
Dividends paid	(52)	(71)	(43)	(85)	(171)
Other financing cash flows	12	(28)	0	0	0
<b>Cash flow from financing</b>	<b>155</b>	<b>4</b>	<b>(328)</b>	<b>(172)</b>	<b>(745)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(419)</b>	<b>(65)</b>	<b>662</b>	<b>2,394</b>	<b>(11)</b>
<b>Closing cash &amp; cash eq.</b>	<b>4</b>	<b>211</b>	<b>1,044</b>	<b>3,611</b>	<b>3,749</b>

### Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	30.7	24.6	32.9	35.5	37.9
Adjusted EPS	30.7	24.6	32.9	35.5	37.9
Dividend per share	2.4	3.3	2.0	4.0	8.0
Book value per share	187.1	208.1	239.0	270.5	300.5

### Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	0.3	0.4	0.4	0.2	(0.1)
EV/EBITDA	1.9	2.9	2.3	1.4	(0.4)
Adjusted P/E	14.9	18.6	13.9	12.9	12.1
P/BV	2.4	2.2	1.9	1.7	1.5

### DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	64.2	75.5	73.5	74.8	74.8
Interest burden (PBT/EBIT)	92.7	83.7	91.8	92.1	93.6
EBIT margin (EBIT/Revenue)	11.9	9.2	11.8	10.4	10.1
Asset turnover (Rev./Avg TA)	175.9	150.0	134.0	148.1	150.9
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.4	1.3	1.2
Adjusted ROAE	17.7	12.4	14.7	13.9	13.3

### Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	38.5	(2.1)	(2.1)	20.0	7.6
EBITDA	40.8	(14.2)	15.5	9.2	7.8
Adjusted EPS	29.4	(19.9)	33.8	7.9	6.8
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	15.6	13.7	16.2	14.7	14.7
EBIT margin	11.9	9.2	11.8	10.4	10.1
Adjusted profit margin	7.1	5.8	7.9	7.1	7.1
Adjusted ROAE	17.7	12.4	14.7	13.9	13.3
ROCE	13.5	10.4	11.6	11.5	11.4
<b>Working capital days (days)</b>					
Receivables	108	122	151	145	125
Inventory	62	61	61	56	58
Payables	111	109	129	163	189
<b>Ratios (x)</b>					
Gross asset turnover	0.5	0.6	0.7	0.7	0.7
Current ratio	2.4	2.8	2.0	1.7	1.6
Net interest coverage ratio	(13.7)	(6.1)	(12.2)	(12.7)	(15.6)
Adjusted debt/equity	0.4	0.4	0.3	0.3	0.2

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Disclaimer

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