

Transport Corporation of India

Estimate change

TP change

Rating change



CMP: INR650

TP: INR760 (+17%)

Buy

Revenue in line; marginal miss on EBITDA

New ship likely to be added in FY24E; margins to remain stable

| | |
|-----------------------|------------|
| Bloomberg | TRPC IN |
| Equity Shares (m) | 77 |
| M.Cap.(INRb)/(USDb) | 50.4 / 0.6 |
| 52-Week Range (INR) | 845 / 556 |
| 1, 6, 12 Rel. Per (%) | 3/5/-24 |
| 12M Avg Val (INR M) | 64 |

Financial Snapshot (INR b)

| Y/E MARCH | 2023 | 2024E | 2025E |
|-------------------|-------|-------|-------|
| Sales | 37.8 | 43.1 | 49.6 |
| EBITDA | 4.2 | 4.8 | 5.7 |
| Adj. PAT | 3.2 | 3.5 | 4.2 |
| EBITDA Margin (%) | 11.2 | 11.2 | 11.4 |
| Adj. EPS (INR) | 41.6 | 45.6 | 53.9 |
| EPS Gr. (%) | 10.7 | 9.7 | 18.2 |
| BV/Sh. (INR) | 220.7 | 262.9 | 313.3 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | -0.1 | 0.0 | -0.1 |
| RoE (%) | 20.1 | 18.6 | 18.5 |
| RoCE (%) | 19.3 | 18.0 | 18.0 |
| Payout (%) | 17.0 | 7.7 | 6.5 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 15.6 | 14.2 | 12.0 |
| P/BV (x) | 2.9 | 2.5 | 2.1 |
| EV/EBITDA(x) | 10.9 | 9.7 | 7.9 |
| Div. Yield (%) | 1.1 | 0.5 | 0.5 |
| FCF Yield (%) | 4.1 | -3.0 | 3.3 |

Shareholding pattern (%)

| As On | Mar-23 | Dec-22 | Mar-22 |
|----------|--------|--------|--------|
| Promoter | 69.0 | 69.0 | 66.6 |
| DII | 12.2 | 11.7 | 12.3 |
| FII | 2.8 | 3.3 | 2.7 |
| Others | 16.0 | 16.0 | 18.5 |

FII Includes depository receipts

- Transport Corporation of India (TRPC) posted 4QFY23 revenue of ~INR9.8b, up 9% YoY (in line). The Freight and Supply Chain divisions grew 5% and 26%, respectively, YoY. The high-margin Seaways segment declined 5% YoY.
- EBITDA margin contracted 230bp YoY to 11.0% (our est. 12.2%). Growth in Seaways was hit by the absence of high-margin return load from Myanmar and dry docking of certain ships in the quarter that hurt utilization levels. EBITDA declined 9.4% YoY to INR1.1b and APAT remained flat YoY to INR849m (in line) in 4QFY23. APAT was supported by high other income.
- For FY23, revenue stood at INR37.8b (+16.1% YoY), EBITDA margin was at 11.2% (v/s 12.6% in FY22) and APAT stood at INR3.2b (+10.7% YoY).
- The quarter has been a mixed bag with decent performance by Supply Chain segment offset by the subdued performance in Seaways. TRPC expects to acquire a new ship in FY24, which should help volumes in Seaways. We have marginally reduced our EPS for FY24E/FY25E by 2%/4% to factor in lower growth in high-margin Seaways segment during FY24. **Reiterate BUY with a revised TP of INR760 based on a P/E multiple of 14x FY25E EPS.**

Strong growth in supply chain; freight and seaways stable

- In Supply Chain, the growth momentum has been sustained through the retention and expansion of businesses with existing clients as well as the acquisition of new business. Automotive sector continues to remain robust with 20% growth in this division in FY24E.
- The Freight division grew moderately on a higher base. However, the division grew 16% YoY in FY23 driven by improved economic activities and increased volumes from large customers.
- In the Seaways division, growth has been subdued due to lower freight rates and weak EXIM trade volumes. Besides, due to dry dock of certain ships, the division's capacity utilization was impacted adversely.

Highlights from the management commentary

- The share of LTL/FTL businesses in the Freight division stood at 35%/65% in FY23. Management is actively working towards increasing the share of LTL revenue to 40% by FY25, which will lead to margin improvement.
- The cost of purchasing a ship has remained high, leading to the delay in acquiring a new ship. However, management is optimistic about procuring the new ship in 2HFY24. Initially, TRPC was considering the possibility of acquiring a used ship, but now it is also exploring the feasibility of purchasing a new ship.

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Valuation and view

- TRPC offers multimodal transportation solutions, providing a competitive advantage over peers. The company's rising share of the LTL business within the Road Freight division indicates progress and potential for improved profitability.
- While the Seaways business has been weak in 4QFY23, the same is likely to pick-up. The momentum in Supply Chain division is expected to continue. We cut our FY24/FY25 EPS estimates by ~2%/4% to factor in slower growth in high-margin Seaways segment during FY24 due to a delay in ship addition. **Reiterate BUY with a revised TP of INR760 based on a P/E multiple of 14x FY25E EPS.**

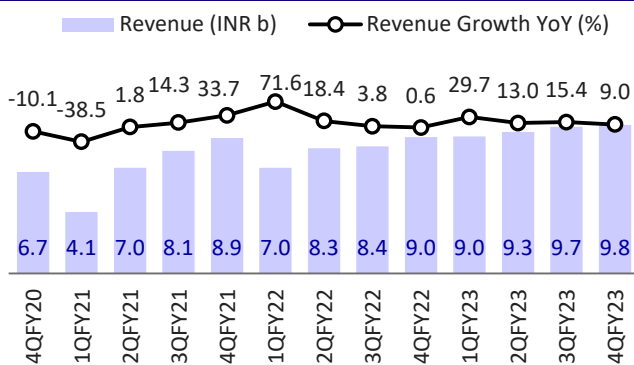
Quarterly snapshot (Cons)

| Y/E March (INR m) | FY22 | | | | FY23 | | | | FY22 | FY23 | FY23 | INR m |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 4QE | Var. v/s Est |
| Net Sales | 6,961 | 8,251 | 8,377 | 8,985 | 9,029 | 9,321 | 9,667 | 9,793 | 32,588 | 37,810 | 9,907 | (1) |
| YoY Change (%) | 71.6 | 18.4 | 3.8 | 0.6 | 29.7 | 13.0 | 15.4 | 9.0 | 16.3 | 16.0 | 10.4 | |
| EBITDA | 758 | 1,045 | 1,092 | 1,201 | 1,041 | 960 | 1,144 | 1,081 | 4,109 | 4,225 | 1,210 | (11) |
| Margins (%) | 10.9 | 12.7 | 13.0 | 13.4 | 11.5 | 10.3 | 11.8 | 11.0 | 12.6 | 11.2 | 12.2 | |
| YoY Change (%) | 147.3 | 67.9 | 37.0 | 35.5 | 37.4 | -8.2 | 4.8 | -10.0 | 57.3 | 2.8 | 1.4 | |
| Depreciation | 247 | 256 | 255 | 371 | 289 | 300 | 314 | 311 | 1,130 | 1,214 | 324 | |
| Interest | 47 | 33 | 26 | 22 | 23 | 25 | 26 | 24 | 128 | 98 | 21 | |
| Other Income | 41 | 29 | 53 | 68 | 53 | 74 | 70 | 121 | 178 | 317 | 57 | |
| PBT before EO expense | 504 | 785 | 864 | 875 | 782 | 708 | 874 | 867 | 3,028 | 3,230 | 923 | |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34 | 0 | 34 | 0 | |
| PBT | 504 | 785 | 864 | 875 | 782 | 708 | 874 | 833 | 3,028 | 3,196 | 923 | |
| Tax | 64 | 96 | 108 | 104 | 93 | 115 | 110 | 115 | 377 | 433 | 124 | |
| Rate (%) | 12.7 | 12.3 | 12.5 | 11.8 | 11.9 | 16.2 | 12.6 | 13.8 | 12.4 | 13.6 | 13.4 | |
| Minority Interest | -6.0 | -7.5 | -7.5 | -9.8 | -8.4 | -6.6 | -8.2 | -9.3 | -32.1 | -32.5 | -7.7 | |
| Profit/Loss of Asso. Cos | 35 | 73 | 72 | 97 | 98 | 138 | 102 | 106 | 277 | 444 | 40 | |
| Reported PAT | 469 | 754 | 821 | 859 | 777 | 724 | 857 | 815 | 2,896 | 3,174 | 831 | (2) |
| Adj PAT | 469 | 754 | 821 | 859 | 777 | 724 | 857 | 849 | 2,896 | 3,208 | 831 | 2 |
| YoY Change (%) | 1,049 | 106.0 | 57.0 | 27.8 | 65.9 | -3.9 | 4.4 | -1.2 | 80.8 | 10.8 | -2.7 | |
| Margins (%) | 6.7 | 9.1 | 9.8 | 9.6 | 8.6 | 7.8 | 8.9 | 8.7 | 8.9 | 8.5 | 8.4 | |

E: MOFSL Estimates

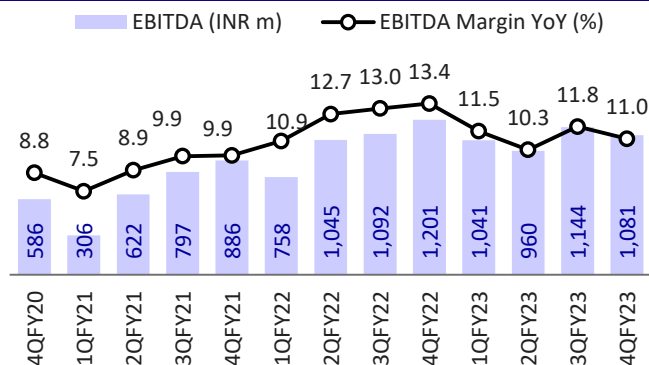
4QFY23 in charts

Exhibit 1: Revenue up 9% YoY



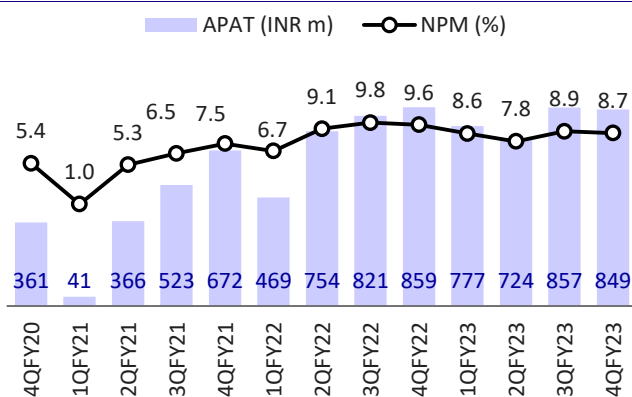
Source: Company, MOFSL

Exhibit 2: EBITDA and margin trends



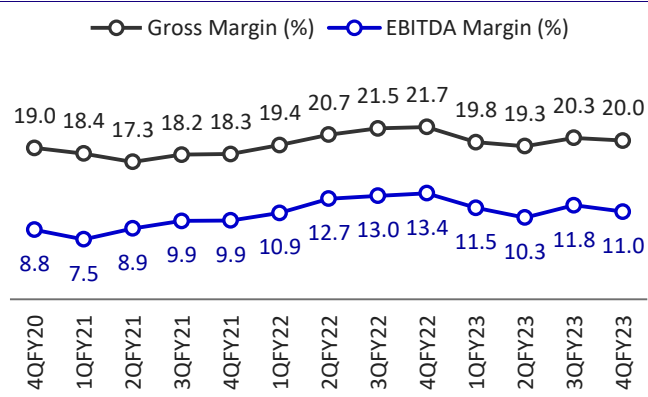
Source: Company, MOFSL

Exhibit 3: PAT remains flat



Source: Company, MOFSL

Exhibit 4: Margin contracts in seaways and supply chain segments



Source: Company, MOFSL

Exhibit 5: Segmental performance

| | 1QFY22 | 2QFY22 | 3QFY22 | 4QFY22 | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Segment Revenue (INR m) | | | | | | | | |
| Freight | 3,647 | 4,128 | 4,323 | 4,797 | 4,633 | 4,693 | 4,826 | 5,046 |
| Supply chain | 2,263 | 2,843 | 2,788 | 2,745 | 3,023 | 3,584 | 3,335 | 3,462 |
| Seaways | 1,150 | 1,342 | 1,479 | 1,607 | 1,525 | 1,242 | 1,702 | 1,521 |
| Energy | 15 | 21 | 6 | 12 | 16 | 19 | 15 | 11 |
| Net segment Revenue | 7,074 | 8,334 | 8,596 | 9,161 | 9,196 | 9,537 | 9,879 | 10,040 |
| Growth YoY (%) | | | | | | | | |
| Freight | 32.0 | 58.5 | 15.6 | 4.2 | 0.7 | 13.7 | 11.6 | 5.2 |
| Supply chain | 42.0 | 97.6 | 11.9 | -7.4 | -9.7 | 26.0 | 19.6 | 26.1 |
| Seaways | 24.4 | 68.6 | 44.0 | 42.6 | 23.5 | -7.5 | 15.1 | -5.3 |
| Energy | -10.2 | 10.3 | 23.8 | 111.5 | 117.0 | -9.6 | 176.4 | -7.8 |
| Net segment Revenue | 70.8 | 18.0 | 4.8 | 0.6 | 30.0 | 14.4 | 14.9 | 9.6 |
| Revenue Share (%) | | | | | | | | |
| Freight | 52 | 50 | 50 | 52 | 50 | 49 | 49 | 50 |
| Supply chain | 32 | 34 | 32 | 30 | 33 | 38 | 34 | 34 |
| Seaways | 16 | 16 | 17 | 18 | 17 | 13 | 17 | 15 |
| Energy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue Share | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Segment Results (EBIT) - (INR m) | | | | | | | | |
| Freight | 127 | 162 | 188 | 198 | 162 | 191 | 273 | 214 |
| Supply chain | 121 | 166 | 167 | 196 | 166 | 226 | 200 | 226 |
| Seaways | 293 | 480 | 540 | 477 | 461 | 304 | 458 | 422 |
| Energy | 10 | 15 | -1 | 6 | 8 | 10 | 9 | 3 |
| Total Segment Results | 551 | 824 | 893 | 877 | 797 | 731 | 940 | 865 |
| Segmental EBIT Margin (%) | | | | | | | | |
| Freight | 3.5 | 3.9 | 4.3 | 4.1 | 3.5 | 4.1 | 5.7 | 4.2 |
| Supply chain | 5.3 | 5.8 | 6.0 | 7.1 | 5.5 | 6.3 | 6.0 | 6.5 |
| Seaways | 25.5 | 35.8 | 36.5 | 29.7 | 30.2 | 24.5 | 26.9 | 27.7 |
| Energy | 65.3 | 74.0 | -14.5 | 48.7 | 50.0 | 50.5 | 55.9 | 32.1 |
| Total | 7.8 | 9.9 | 10.4 | 9.6 | 8.7 | 7.7 | 9.5 | 8.6 |



Highlights from the management commentary

Freight segment

- Revenue grew ~5% YoY in 4QFY23, while EBIT margin stood at 4.2% (flat YoY and -150bp QoQ).
- In 4QFY23, the freight division grew moderately v/s the previous year's higher base. However, for FY23, the division posted 16% YoY growth rate primarily due to improved economic activities and a rise in volumes from large customers.
- Margin in the LTL business was 20% whereas it was 10% in the FTL division
- The share of LTL/FTL in the Freight division stood at 35%/65% in FY23. Management remains optimistic about increasing LTL's share to 40% by FY25.
- ROCE for FY23 was 26.1%, which reflects a significant improvement v/s 14.2% ROCE recorded in FY20. This increase in ROCE was supported by a better working capital cycle, lower capex, and consistent margins.

Supply Chain segment

- Revenue grew 26% YoY in 4QFY23, while EBIT margin stood at 6.5% (-60bp YoY; +50bp QoQ). High interest rates and the inflationary environment hit demand, leading to flat margins in 3QFY23.
- In Supply Chain, the growth momentum has been sustained through the retention and expansion of businesses with existing clients as well as the acquisition of new business. Automotive sector continues to remain robust with 20% growth in this division in FY24E.
- The Automotive sector accounts for 80% of the revenues in the supply chain division. The division's growth has been primarily driven by a pickup in the automotive sector, particularly in the EV space.
- Management expects 20% YoY growth for the supply chain division in FY24.

Seaways segment

- The segment declined 5% in 4QFY23 due to weak EXIM volumes and falling freight rates.
- EBIT margin increased to 27.7% (29.7% in 4QFY22 and 26.9% in 3Q FY23). Management expects EBIT margin in the range of 27-28% in FY24.
- As the purchase of new ship is delayed, the seaways division is expected to report subdued growth in FY24.
- Management expects one ship to be scrapped in the next 2-3 years.

Acquisition of New Ship

- The cost of purchasing a ship has remained high, leading to the delay in acquiring a new ship. However, management is optimistic about procuring the new ship in 2HFY24. Initially, TRPC was considering the possibility of acquiring a used ship, but now it is also exploring the feasibility of purchasing a new ship.
- TRPC plans to add ~20,000 tons of ship capacity per annum.

Industry trend

- The domestic manufacturing sector has been hit by headwinds from the global recession, which has resulted in reduced demand and slower growth.
- Additionally, sub-optimal monsoon conditions have hurt agricultural output and rural demand. These factors have contributed to a distressed rural economy, dampening overall demand and economic activity.

Guidance

- Management maintains its guidance for revenue and PAT growth of 10-15% in FY23/FY24.
- Given the delay in acquiring a new ship, management anticipates that growth will primarily stem from the Freight and Supply Chain divisions.
- The increasing adoption of digital networks by organizations is expected to lead to a significant improvement in the market share of organized players. The implementations of GST, e-way bills, and mandatory E-invoicing would further accelerate the formalization of the industry.

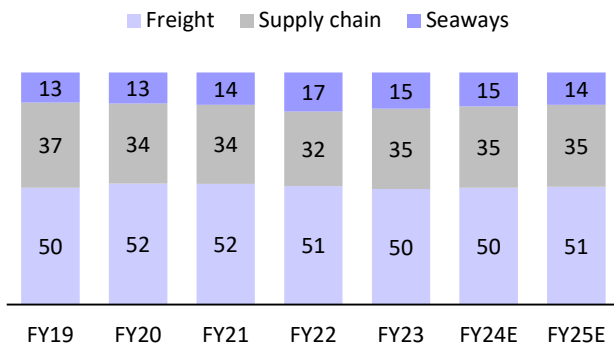
Exhibit 6: Our revised estimates

| (INR m) | FY24E | | | FY25E | | |
|-------------------|--------|--------|---------|--------|--------|---------|
| | Rev | Old | Chg (%) | Rev | Old | Chg (%) |
| Net Sales | 43,113 | 42,857 | 0.6 | 49,593 | 49,671 | -0.2 |
| EBITDA | 4,835 | 5,035 | -4.0 | 5,651 | 5,978 | -5.5 |
| EBITDA Margin (%) | 11.2 | 11.7 | -53 | 11.4 | 12.0 | -64 |
| PAT | 3,519 | 3,585 | -1.8 | 4,159 | 4,352 | -4.4 |
| EPS (INR) | 45.6 | 46.5 | -1.8 | 53.9 | 56.5 | -4.4 |

Source: Company, MOFSL

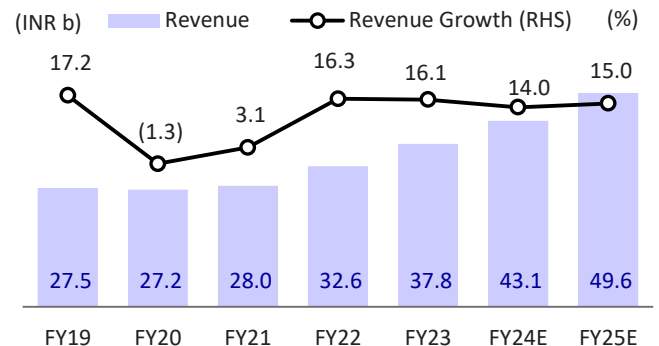
Story in charts

Exhibit 7: Freight and 3PL to dominate



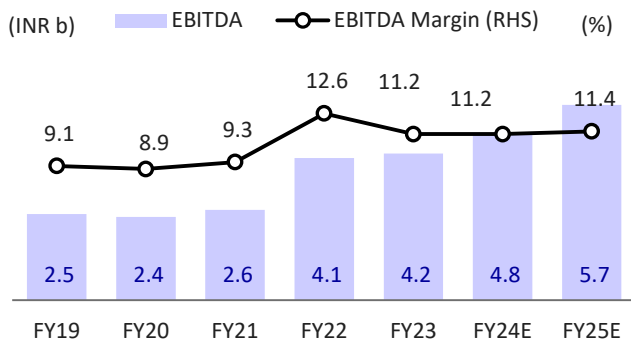
Source: Company, MOFSL

Exhibit 8: Revenue growth to remain strong



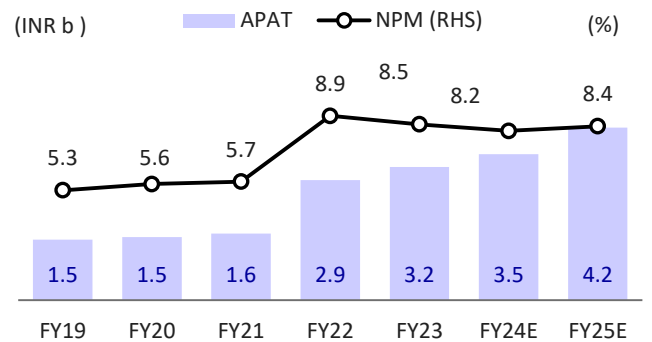
Source: Company, MOFSL

Exhibit 9: Margin to remain stable



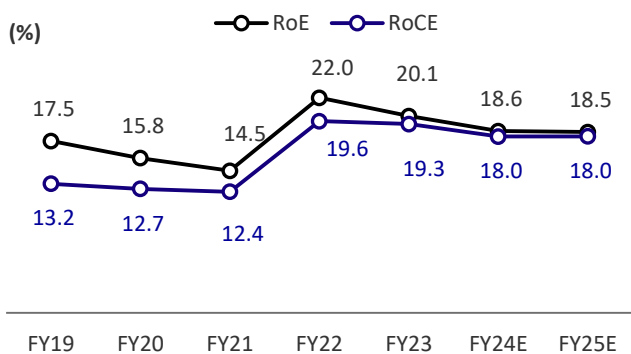
Source: Company, MOFSL

Exhibit 10: Strong operating performance to drive PAT



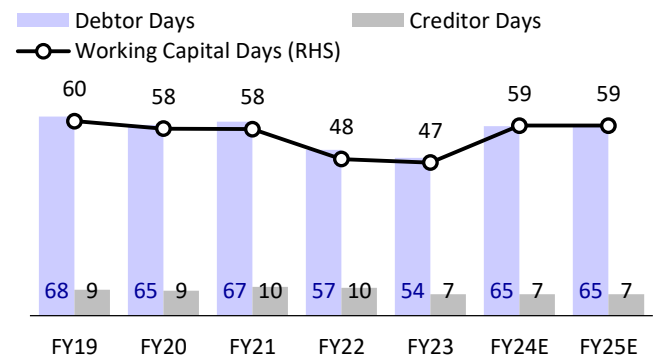
Source: Company, MOFSL

Exhibit 11: Return ratios remain elevated



Source: Company, MOFSL

Exhibit 12: Comfortable working capital position



Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement

| Y/E March (INR m) | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Sales | 27,536 | 27,178 | 28,024 | 32,567 | 37,810 | 43,113 | 49,593 |
| Change (%) | 17.2 | -1.3 | 3.1 | 16.2 | 16.1 | 14.0 | 15.0 |
| Gross Margin (%) | 18.2 | 18.5 | 18.0 | 20.9 | 19.9 | 20.0 | 20.0 |
| EBITDA | 2,495 | 2,405 | 2,612 | 4,087 | 4,225 | 4,835 | 5,651 |
| Margin (%) | 9.1 | 8.9 | 9.3 | 12.6 | 11.2 | 11.2 | 11.4 |
| Depreciation | 774 | 825 | 928 | 1,130 | 1,214 | 1,363 | 1,543 |
| EBIT | 1,721 | 1,580 | 1,684 | 2,957 | 3,026 | 3,472 | 4,108 |
| Int. and Finance Charges | 374 | 343 | 267 | 128 | 98 | 66 | 61 |
| Other Income | 195 | 201 | 255 | 199 | 303 | 333 | 366 |
| PBT | 1,542 | 1,438 | 1,672 | 3,028 | 3,231 | 3,739 | 4,414 |
| Tax | 333 | 159 | 238 | 377 | 434 | 598 | 706 |
| Effective Tax Rate (%) | 21.6 | 11.1 | 14.3 | 12.4 | 13.4 | 16.0 | 16.0 |
| PAT before MI, Associates, and EO Items | 1,209 | 1,279 | 1,434 | 2,652 | 2,796 | 3,141 | 3,707 |
| Share of profit/(loss) of Associates and JVs | 251 | 252 | 201 | 277 | 444 | 408 | 482 |
| Minority Interest | 0 | -8 | -33 | -32 | -33 | -30 | -30 |
| Extraordinary Items | 7 | 99 | 131 | 0 | 34 | 0 | 0 |
| Reported PAT | 1,453 | 1,424 | 1,471 | 2,896 | 3,173 | 3,519 | 4,159 |
| Adjusted PAT | 1,460 | 1,522 | 1,602 | 2,896 | 3,207 | 3,519 | 4,159 |
| Change (%) | 17.9 | 4.3 | 5.2 | 80.8 | 10.7 | 9.7 | 18.2 |
| Margin (%) | 5.3 | 5.6 | 5.7 | 8.9 | 8.5 | 8.2 | 8.4 |

Consolidated Balance Sheet

| Y/E March (INR m) | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Equity Share Capital | 153 | 154 | 154 | 155 | 155 | 155 | 155 |
| Total Reserves | 8,766 | 10,085 | 11,543 | 14,148 | 16,863 | 20,112 | 24,001 |
| Net Worth | 8,920 | 10,239 | 11,697 | 14,303 | 17,018 | 20,267 | 24,156 |
| Minority Interest | 52 | 57 | 86 | 274 | 301 | 301 | 301 |
| Deferred Tax Liabilities | 390 | 302 | 273 | 276 | 300 | 300 | 300 |
| Total Loans | 4,703 | 4,186 | 2,767 | 1,039 | 625 | 575 | 525 |
| Capital Employed | 14,065 | 14,784 | 14,823 | 15,892 | 18,245 | 21,444 | 25,283 |
| Gross Block | 9,503 | 10,595 | 10,684 | 11,646 | 14,172 | 16,172 | 18,172 |
| Less: Accum. Deprn. | 2,235 | 3,111 | 3,275 | 4,405 | 6,260 | 7,623 | 9,166 |
| Net Fixed Assets | 7,268 | 7,483 | 7,409 | 7,241 | 7,913 | 8,550 | 9,007 |
| Capital WIP | 40 | 450 | 690 | 846 | 260 | 230 | 200 |
| Total Investments | 1,168 | 1,354 | 1,500 | 1,927 | 2,859 | 2,859 | 2,859 |
| Curr. Assets, Loans, and Adv. | 7,683 | 7,547 | 7,790 | 8,257 | 9,978 | 12,956 | 16,842 |
| Inventory | 53 | 66 | 71 | 85 | 50 | 118 | 136 |
| Account Receivables | 5,151 | 4,873 | 5,110 | 5,083 | 5,609 | 7,678 | 8,832 |
| Cash and Bank Balances | 155 | 259 | 395 | 745 | 1,846 | 850 | 2,916 |
| Cash | 101 | 132 | 341 | 679 | 1,699 | 704 | 2,770 |
| Bank Balance | 55 | 128 | 55 | 66 | 66 | 66 | 66 |
| Loans and Advances | 268 | 268 | 124 | 12 | 12 | 14 | 16 |
| Others | 2,056 | 2,081 | 2,089 | 2,333 | 2,461 | 4,297 | 4,943 |
| Current Liab. and Prov. | 2,095 | 2,050 | 2,565 | 2,379 | 2,765 | 3,151 | 3,625 |
| Account Payables | 674 | 639 | 759 | 851 | 760 | 866 | 996 |
| Other Current Liabilities | 1,355 | 1,309 | 1,719 | 1,276 | 1,722 | 1,963 | 2,258 |
| Provisions | 65 | 102 | 86 | 251 | 283 | 322 | 371 |
| Net Current Assets | 5,589 | 5,497 | 5,225 | 5,878 | 7,213 | 9,805 | 13,218 |
| Application of Funds | 14,065 | 14,784 | 14,823 | 15,891 | 18,245 | 21,444 | 25,283 |

Financials and valuations

Ratios

| Y/E March | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Basic (INR) | | | | | | | |
| EPS | 18.9 | 19.7 | 20.8 | 37.6 | 41.6 | 45.6 | 53.9 |
| EPS growth (%) | 17.9 | 4.3 | 5.2 | 80.8 | 10.7 | 9.7 | 18.2 |
| Cash EPS | 29.0 | 30.4 | 32.8 | 52.2 | 57.3 | 63.3 | 74.0 |
| BV/Share | 115.7 | 132.8 | 151.7 | 185.5 | 220.7 | 262.9 | 313.3 |
| DPS | 1.8 | 2.0 | 2.5 | 2.5 | 7.0 | 3.5 | 3.5 |
| Payout (Incl. Div. Tax, %) | 12.6 | 14.1 | 13.1 | 6.7 | 17.0 | 7.7 | 6.5 |
| Valuation (x) | | | | | | | |
| P/E | 34.3 | 32.9 | 31.3 | 17.3 | 15.6 | 14.2 | 12.0 |
| Cash P/E | 22.4 | 21.4 | 19.8 | 12.4 | 11.3 | 10.3 | 8.8 |
| EV/EBITDA | 21.4 | 21.9 | 19.5 | 11.8 | 10.9 | 9.7 | 7.9 |
| EV/Sales | 1.9 | 1.9 | 1.8 | 1.5 | 1.2 | 1.1 | 0.9 |
| P/BV | 5.6 | 4.9 | 4.3 | 3.5 | 2.9 | 2.5 | 2.1 |
| Dividend Yield (%) | 0.3 | 0.3 | 0.4 | 0.4 | 1.1 | 0.5 | 0.5 |
| Return Ratios (%) | | | | | | | |
| RoE | 17.5 | 15.8 | 14.5 | 22.0 | 20.1 | 18.6 | 18.5 |
| RoCE | 13.2 | 12.7 | 12.4 | 19.6 | 19.3 | 18.0 | 18.0 |
| RoIC | 11.5 | 11.1 | 11.6 | 21.0 | 20.4 | 18.9 | 18.7 |
| Working Capital Ratios | | | | | | | |
| Fixed Asset Turnover (x) | 3.2 | 2.7 | 2.6 | 2.9 | 2.9 | 2.8 | 2.9 |
| Asset Turnover (x) | 2.0 | 1.8 | 1.9 | 2.0 | 2.1 | 2.0 | 2.0 |
| Inventory (Days) | 1 | 1 | 1 | 1 | 0 | 1 | 1 |
| Debtors (Days) | 68 | 65 | 67 | 57 | 54 | 65 | 65 |
| Creditors (Days) | 9 | 9 | 10 | 10 | 7 | 7 | 7 |
| Leverage Ratio (x) | | | | | | | |
| Net Debt/Equity ratio | 0.5 | 0.4 | 0.2 | 0.0 | -0.1 | 0.0 | -0.1 |

Consolidated Cash Flow Statement

| Y/E March (INR m) | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| OP/(Loss) before Tax | 1,786 | 1,591 | 1,743 | 3,305 | 3,640 | 3,739 | 4,414 |
| Depreciation | 774 | 825 | 928 | 1,130 | 1,214 | 1,363 | 1,543 |
| Direct Taxes Paid | -342 | -410 | 52 | -494 | -186 | -598 | -706 |
| (Inc.)/Dec. in WC | -758 | 181 | 232 | -163 | -729 | -3,773 | -1,336 |
| Other Items | 331 | 242 | 93 | -98 | -332 | -267 | -306 |
| CF from Operations | 1,791 | 2,428 | 3,047 | 3,680 | 3,607 | 463 | 3,608 |
| (Inc.)/Dec. in FA | -1,259 | -1,321 | -1,241 | -707 | -1,530 | -1,970 | -1,970 |
| Free Cash Flow | 532 | 1,108 | 1,807 | 2,973 | 2,077 | -1,507 | 1,638 |
| Change in Investments | -49 | -55 | -17 | -28 | -69 | 0 | 0 |
| Others | -268 | 22 | 196 | -27 | -333 | 483 | 313 |
| CF from Investments | -1,576 | -1,353 | -1,062 | -762 | -1,931 | -1,487 | -1,657 |
| Change in Equity | 12 | 24 | 40 | 34 | 35 | 0 | 0 |
| Inc./(Dec.) in Debt | 307 | -523 | -1,419 | -2,148 | 6 | -50 | -50 |
| Dividends Paid | -182 | -201 | -96 | -410 | -543 | -270 | -270 |
| Others | -338 | -343 | -302 | -56 | -153 | 348 | 435 |
| CF from Fin. Activity | -202 | -1,044 | -1,776 | -2,580 | -655 | 28 | 115 |
| Inc./(Dec.) in Cash | 13 | 31 | 209 | 338 | 1,021 | -996 | 2,066 |
| Opening Balance | 142 | 101 | 132 | 341 | 679 | 1,699 | 704 |
| Closing Balance | 155 | 132 | 341 | 679 | 1,699 | 704 | 2,770 |

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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