

# APL Apollo Tubes

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	APAT IN
Equity Shares (m)	250
M.Cap.(INRb)/(USDb)	444.8 / 5.3
52-Week Range (INR)	1806 / 988
1, 6, 12 Rel. Per (%)	1/28/41
12M Avg Val (INR M)	858

## Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	161.7	198.4	264.1
EBITDA	10.2	14.3	21.0
PAT	6.4	9.1	14.4
EBITDA (%)	6.3	7.2	7.9
EPS (INR)	23.1	32.9	51.9
EPS Gr. (%)	15.2	42.1	57.9
BV/Sh. (INR)	108.4	136.3	182.2

## Ratios

Net D/E	0.2	0.0	-0.2
RoE (%)	24.4	26.9	32.6
RoCE (%)	20.6	23.7	30.4
Payout (%)	15.1	15.2	11.6

## Valuations

P/E (x)	69.3	48.7	30.9
EV/EBITDA (x)	44.0	31.2	20.6
Div Yield (%)	0.2	0.3	0.4
FCF Yield (%)	-0.1	1.4	3.2

## Shareholding pattern (%)

As on	Sep-23	Jun-23	Sep-22
Promoter	29.7	30.6	34.5
DII	12.7	12.7	10.9
FII	28.7	25.1	24.7
Others	29.0	31.6	29.9

Note: FII includes depository receipts

**CMP: INR1,604 TP: INR1,930 (+20%) Buy**

## Healthy volume and Raipur plant ramp-up drive earnings

### Earnings in line with our estimate

- APL Apollo Tubes (APAT) reported another quarter of healthy volume growth at ~12% YoY to 675KMT. APAT's EBITDA/MT jumped 25% YoY in 2QFY24 aided by operating leverage and 18% YoY improvement in gross profit/MT. The value added product (VAP) mix sustained at ~55% in 2QFY24 underpinned by a gradual ramp up of the Raipur plant.
- **We maintain our FY24/FY25 earnings estimates and value the stock at 33x Sep'25E EPS to arrive at our TP of INR1,930. Reiterate BUY.**

### Strong EBITDA/MT aids operating performance

- Consolidated revenue grew 17%/2% YoY/QoQ to INR46.3b (in line with est.) in 2QFY24, led by healthy volume growth (up 12%/2% YoY/QoQ to 675KMT). Realization improved 4% YoY while it was flat on a sequential basis at INR68,600/MT during the quarter.
- Gross profit/MT grew 18% YoY and 3% QoQ to INR9,662. EBITDA/MT grew 25% YoY and 4% QoQ to INR4,817 in 2QFY24.
- The share of VAP stood at 55% in 2QFY24 v/s 54% in 2QFY23 and 57% in 1QFY24.
- EBITDA grew 40% YoY and 6% QoQ to INR3.25b (est. of INR3.3b) in 2Q.
- Adjusted PAT grew 35% YoY and 5% QoQ to INR2b (est. of INR2.1b).
- For 1HFY24, revenue/EBITDA/Adj. PAT grew 24%/48%/46% YoY to INR91.8b/INR6.3b/INR4b.

### Highlights from the management commentary

- **Demand scenario:** Volume off-take was a little soft in Oct'23 due to the festive season. However, management expects the demand to bounce back from the second half of Nov'23.
- **Guidance:** Management has guided for a sales volume of ~2.8MMT in FY24, with EBITDA/MT to be in the range of INR4,500-5,500. It aims to scale sales volume to ~5MMT by FY26E with an EBITDA/MT of ~INR6,000.
- The **Raipur plant** achieved capacity utilization of ~28% in 2QFY24 with an EBITDA/MT of ~INR5,000. APAT expects utilization to improve to ~40% in 3QFY24. It expects EBITDA/MT to reach ~INR6,000-7000 going ahead.

### Valuation and view

- The incremental capacity from upcoming plants and debottlenecking, along with the addition of high-margin products from the Raipur unit, should result in strong volume growth and margin expansion going ahead.
- We expect a revenue/EBITDA/PAT CAGR of 28%/43%/50% over FY23-25.
- **We maintain our FY24/FY25 earnings estimates and value the stock at 33x Sep'25E EPS to arrive at our TP of INR1,930. Reiterate BUY.**

## Consolidated - Quarterly Earning Model

(INR m)

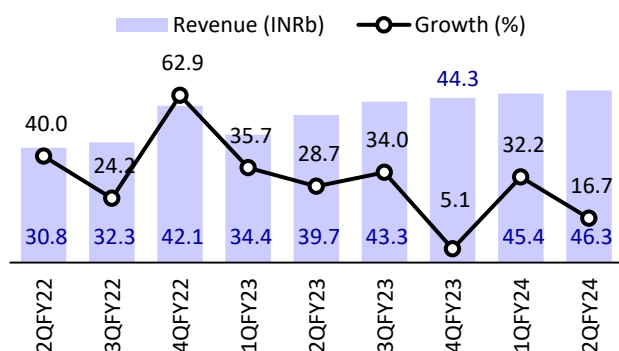
Y/E March	FY23				FY24				FY23	FY24	FY24E 2QE	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Gross Sales</b>	<b>34,386</b>	<b>39,692</b>	<b>43,271</b>	<b>44,311</b>	<b>45,449</b>	<b>46,304</b>	<b>51,460</b>	<b>55,203</b>	<b>1,61,660</b>	<b>1,98,416</b>	<b>46,247</b>	<b>0</b>
YoY Change (%)	35.7	28.7	34.0	5.1	32.2	16.7	18.9	24.6	23.8	22.7	16.5	
Total Expenditure	32,446	37,373	40,543	41,082	42,377	43,054	47,812	50,896	1,51,444	1,84,139	42,939	
<b>EBITDA</b>	<b>1,939</b>	<b>2,319</b>	<b>2,729</b>	<b>3,229</b>	<b>3,072</b>	<b>3,250</b>	<b>3,647</b>	<b>4,307</b>	<b>10,216</b>	<b>14,277</b>	<b>3,308</b>	<b>-2</b>
Margins (%)	5.6	5.8	6.3	7.3	6.8	7.0	7.1	7.8	6.3	7.2	7.2	
Depreciation	294	276	345	468	409	413	480	500	1,383	1,803	450	
Interest	100	136	186	249	271	266	250	240	671	1,028	260	
Other Income	83	116	93	180	217	196	200	210	472	823	180	
<b>PBT before EO expense</b>	<b>1,629</b>	<b>2,023</b>	<b>2,290</b>	<b>2,692</b>	<b>2,608</b>	<b>2,767</b>	<b>3,117</b>	<b>3,777</b>	<b>8,633</b>	<b>12,269</b>	<b>2,778</b>	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>1,629</b>	<b>2,023</b>	<b>2,290</b>	<b>2,692</b>	<b>2,608</b>	<b>2,767</b>	<b>3,117</b>	<b>3,777</b>	<b>8,633</b>	<b>12,269</b>	<b>2,778</b>	
Tax	422	521	598	673	672	738	785	951	2,215	3,145	699	
Rate (%)	25.9	25.7	26.1	25.0	25.8	26.7	25.2	25.2	25.7	25.6	25.2	
Minority Interest & Profit/ Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>1,207</b>	<b>1,502</b>	<b>1,692</b>	<b>2,018</b>	<b>1,936</b>	<b>2,029</b>	<b>2,333</b>	<b>2,826</b>	<b>6,419</b>	<b>9,124</b>	<b>2,079</b>	
<b>Adj PAT</b>	<b>1,207</b>	<b>1,502</b>	<b>1,692</b>	<b>2,018</b>	<b>1,936</b>	<b>2,029</b>	<b>2,333</b>	<b>2,826</b>	<b>6,419</b>	<b>9,124</b>	<b>2,079</b>	<b>-2</b>
YoY Change (%)	-28.4	2.8	32.3	14.3	60.5	35.1	37.9	40.0	3.7	42.1	38.4	
Margins (%)	3.5	3.8	3.9	4.6	4.3	4.4	4.5	5.1	4.0	4.6	4.5	

## Key performance indicators

Y/E March	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
<b>Segment Volumes ('000 MT)</b>					
<b>Apollo Structural</b>					
Big Section	41	46	39	45	51
Super Heavy Section	0	0	2	4	5
Light Structures	109	132	108	112	113
General Structures	276	264	299	282	301
Apollo Z - Rust-proof structures	137	125	163	170	144
Apollo Z- Coated Products	12	10	10	19	29
Apollo Galv - Agri/Industrial	27	28	27	30	32
TOTAL	602	605	650	662	675
Value Added Products	326	341	350	381	374
<b>Segment EBITDA/MT (INR/MT)</b>					
<b>Apollo Structural</b>					
Big Section	6,926	7,568	8,437	7,618	8,481
Super Heavy Section			9,604	8,777	8,777
Light Structures	5,344	4,059	6,256	5,775	6,258
General Structures	1,388	2,284	2,579	2,252	2,152
Apollo Z - Rust-proof structures	6,816	7,492	7,327	6,749	6,721
Apollo Z- Coated Products	9,401	3,146	4,424	4,044	7,472
Apollo Galv - Agri/Industrial	4,966	5,659	6,780	6,196	7,196
<b>Cost Break-up</b>					
RM Cost (% of sales)	88%	87%	85%	86%	86%
Employee Cost (% of sales)	1%	1%	1%	1%	1%
Other Cost (% of sales)	5%	5%	6%	6%	6%
Gross Margins (%)	12%	13%	15%	14%	14%
EBITDA Margins (%)	6%	6%	7%	7%	7%

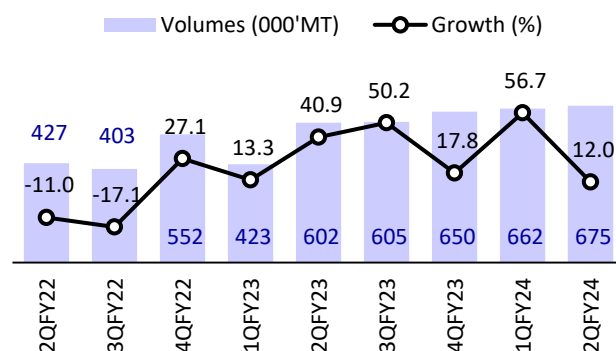
## Key Exhibits

Exhibit 1: Consolidated revenue trend



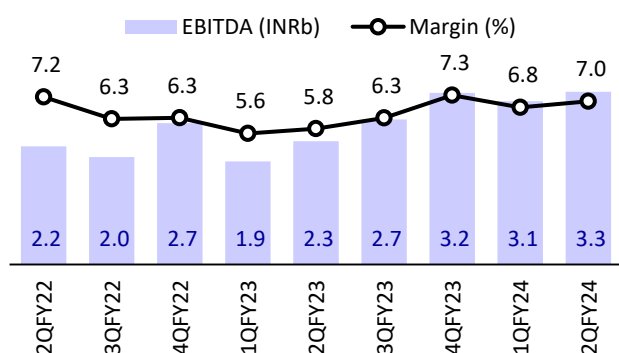
Source: Company, MOFSL

Exhibit 2: Volume trend



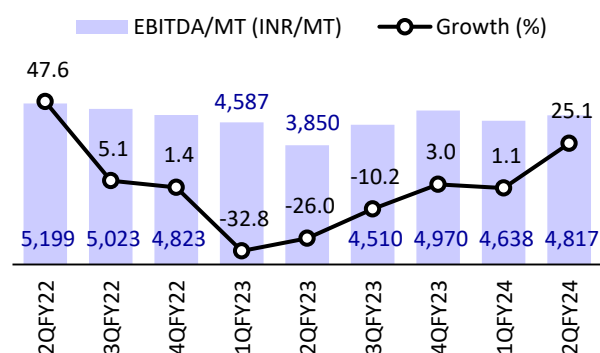
Source: Company, MOFSL

Exhibit 3: Consolidated EBITDA trend



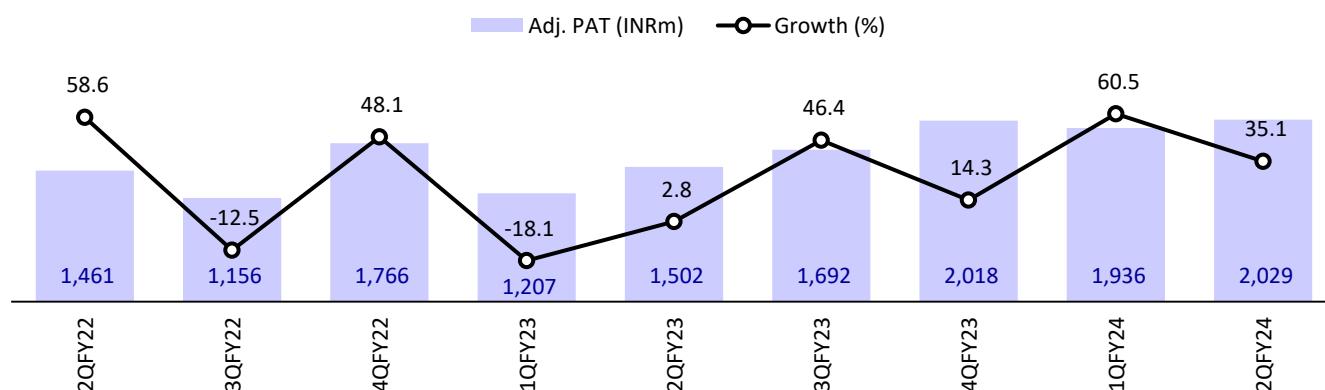
Source: Company, MOFSL

Exhibit 4: EBITDA/MT trend



Source: Company, MOFSL

Exhibit 5: Consolidated Adj. PAT trend



Source: Company, MOFSL

Exhibit 6: Structural steel tube applications

# Applications

- High Rise Buildings
  - Hospitals, Housing, Schools, Courts, Hotels/Malls/Offices
- Warehouses/Cold Storage/Food Parks
- Factory Buildings/Process Structures
- Aviation Hangers
- Data Centres

45 projects

42mn sq. ft. Visibility

220,000 ton heavy structural steel tubes

Ongoing enquiries





Exhibit 7: Market creation by APAT

Conventional Construction Products	Applications	Why Structural Steel Tube replaces these products?	How we replaced the conventional products...
Steel Angle/Channels	Structural support, Towers infrastructure	Uniform Strength, Lower steel consumption	
Wood	Furniture, Door Frames, Planks	Cost Effective, Termite Proof, Environmental Friendly	
Aluminum Profiles	Facades & Glazing	Cost Effective, Higher Strength	
Reinforced Cement Concrete	Construction of Buildings	Faster Construction Environmental Friendly	
Fabricated Metal Sheet	Pre-Engineered Steel Buildings	Lower steel consumption Reduces overall project cost	

Low Diameter Steel Tubes/Low Load Bearing

High Diameter Steel Tubes/High Load Bearing

Exhibit 8: Hospital work at Delhi

## 6 DELHI HOSPITALS: PROOF OF CONCEPT

- Total 2mn Sq. ft built-up
- 18k ton Steel Tubes used
- Structural work completed in average 90days

Geeta Colony

Sultanpuri

Shalimar Bagh

GTB Hospital

Sarita Vihar

Raghuvir Nagar



Source: MOFSL, Company

## Exhibit 9: The company's vision 2025

## Vision 2025

1	Dominant position with 60%+ market share	Company aims to continue its dominant position in Indian Market	✓ Capacity: 5 Mn Tons with Capacity Utilization of 80%+
2	Product innovation	Create formidable position in newer product category (Super Heavy and Coated)	✓ Revenue 2X
3	Strengthen presence in Global Markets	Aim to enhance global presence and have 10% share of the overall sales	✓ EBITDA 2.5X
4	Customer Centricity	With Investment in B2C app, use of Bollywood and Sports for brand pull, we have strong focus on customer centricity	✓ 70%+ revenue from Value Added Products
5	Recognized Player on ESG Front	Significant focus on ESG	✓ 10%+ of sales from Exports

33

Source: Company, MOFSL

## Exhibit 10: Growth drivers for APAT

## Growth Drivers

A

Capacity expansion

B

New products

C

Focus on high margin products

D

Geographic expansion

Raipur project

- Capacity: 1.0 MTPA  
(infrastructure of 1.5 MTPA)
- Capex: Rs13bn (90% already incurred)
- Potential financials:
  - Revenue: Rs70bn+
  - EBITDA: Rs6bn+

Products

Project specifically focused at High- value added products 3 key product categories:

High Diameter High Thickness Tubes

- 500m x 500m and 1000m x 1000m
- Capacity: 0.3 MTPA
- Suitable for high rise, high load bearing structures
- Reduces project cost by ~20% for the developer

Coated Tubes

- Colored and galvanized
- Capacity: 0.3 MTPA
- Suitable for Warehousing, infrastructure & industrial segments

Coated Products

- Narrow cold rolled and flat products
- Capacity: 0.4 MTPA
- New age products to replace existing products of wood, PVC etc.

East India

Capacity: 0.2 MTPA

Project to help deeper penetration in the Eastern India market

Land acquisition in process


COD: FY 25


Dubai


Capacity: 0.3 MTPA

First plant outside India for catering to Middle East and European markets

COD: FY 25







Source: Company, MOFSL

## Exhibit 11: New products from the Raipur plant

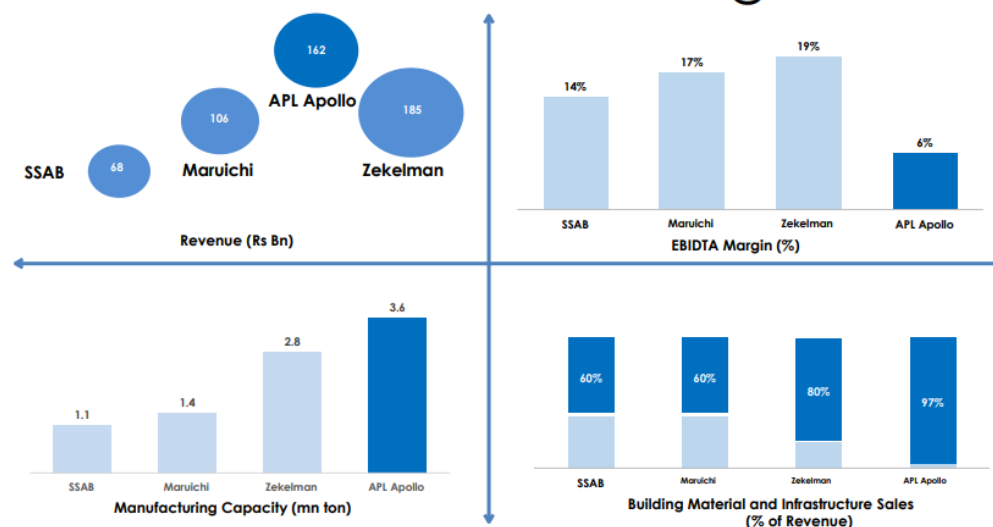
World's 1st thicker color coated products		Superior corrosion resistant, high load bearing with aesthetics
World's 1st Color coated structural steel tubes		Superior corrosion resistant with aesthetics
India's 1st 500x500mm dia structural steel tubes		
India's 1st and World's 2nd 1,000x1,000mm		Replacing RCC structures/columns in heavy construction
India's 1st CRCA Black annealed tube		High tensile light structural application; bendable; superior rust proof properties
India's 1st AluZinc tubes		Superior rust proof properties and better life

Source: Company, MOFSL



Exhibit 12: Global peer benchmarking

## Global Peer Benchmarking



Source: Company, MOFSL



## Highlights from the management commentary

## Raipur plant

- The company achieved sales volume of ~100KMT from Raipur plant in 2QFY24
- Raipur plant achieved capacity utilization of ~28% in 2QFY24. It is expected to reach ~40% in 3QFY23.
- For roofing sheet, EBITDA/MT jumped on the back of better utilization within Raipur plant (~50% in 2QFY24)
- The company generated an EBITDA of ~INR500m from the Raipur plant in 2QFY24, clocking an EBITDA/MT of ~INR5,000
- It expects EBITDA/MT to reach ~INR6000-7000 going ahead
- Currently, Raipur plant has available production capacity of ~1.2MMT. Production of super light tubes has already started. Thicker coated sheet production will start in Nov'23

## Demand scenario

- APAT witnessed destocking of inventory in 2Q due to volatility in steel prices.
- Volume off-take was also soft in Oct'23 due to festive season. However, the company expects demand to bounce back from the second half of Nov'23.

## Manufacturing capacity and capex

- APAT currently has a total manufacturing capacity of ~3.7MMT, which is expected to go up to ~5MMT in the next 12 months
- Most of the capex incurred (~INR3.5b) in 1HFY24 was spent on Raipur and Dubai facilities
- Going ahead, management expects ~INR2b of capex in 2HFY24 for its Dubai facility

**Guidance**

- Company is guiding for ~2.8MMT of sales volume in FY24
- It expects the manufacturing capacity to reach ~5MMT by FY25. This will be the sellable capacity and the capacity utilization can even go beyond 100% (~105-110%).
- Accordingly, management aims to achieve sales volume of ~5MMT by FY26.
- Management expects the EBITDA/MT to be ~INR4,500-5,500 in the near term as there could be pressure on margins especially within the general structure segment due to volatility in steel prices
- However, with the Raipur and Dubai facilities ramping up, EBITDA/MT is expected to rise going ahead
- The company believes that EBITDA/MT of ~INR6,000 is achievable when the capacity utilization of Raipur plant reaches at optimum level
- APAT will further increase its capacity once its reached sales volume of ~40KMT per month

**Exports**

- Export sales grew 28% YoY in 2QFY24
- Currently, it is exporting ~100KMT on an annual basis.
- With commission of Dubai plant (~300KMT), exports share can increase to ~10% of total sales volumes of the company by FY27 (currently ~5% of total volumes).
- Margins in export will be ~20% higher than the domestic market

**Other key highlights**

- There was no substantial inventory gain or loss during the quarter.
- APAT is clocking ~20KMT per month of volumes from platforms of Shankara. Management is confident that these numbers will grow in line with the sales growth of the company.
- Management believes that the gross debt levels of APAT have peaked out. It expects APAT to become a net-cash company soon.
- The company's current CFO was elevated to Director of Operations. Therefore, it has hired a new CFO.
- In structural steel tubes, APAT is the largest company globally. In steel tubes also, APAT is the third largest player (there are two bigger companies in China).
- Company is launching advertising campaign with Amitabh Bachchan and Akshay Kumar. It has an advertising and promotional budget of ~INR500-600m for FY24
- Working capital days remained stable at around five days in 2QFY24.
- The company witnessed RoCE of ~32%% during the quarter (Ex of Raipur plant, RoCE stood at 40%)
- Around 90% of the total sale is made to distributors, ~5% are exported and ~5% to OEM
- The promoter has no plans to sell the stake of the company any further.
- Some of the products are already generating high single-digit margin. Going ahead, barring general structure, all the products can generate high single-digit margins.
- The company has supplied its steel tubes to two railway stations as of now (one in South India and one in North India). Railways can be a good demand driver for the company going ahead.

**Valuation and View**

- We believe APAT would sustain its earnings momentum on the back of: 1) growing demand across segments, 2) increased product penetration with a robust distribution network, 3) rapid capacity expansion, 4) an increase in the share of VAP, thus driving margins, and 5) its market leadership position.
- The capacity addition from the upcoming plants, operating leverage, growing share of VAP, and the addition of high-margin products from the Raipur unit should lead to margin improvement and higher cash generation.
- We expect a revenue/EBITDA/PAT CAGR of 28%/43%/50% over FY23-25.
- **We maintain our FY24/FY25 earnings estimates and value the stock at 33x Sep'25E EPS to arrive at our TP of INR1,930. Reiterate BUY.**

**Exhibit 13: Revisions to our estimates**

Earnings change (INR m)	Old		New		Change	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	1,97,277	2,62,631	1,98,416	2,64,147	1%	1%
EBITDA	14,335	21,045	14,277	20,991	0%	0%
Adj. PAT	9,174	14,438	9,124	14,402	-1%	0%



## Financials and valuations

### Consolidated - Income Statement

(INRm)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Total Income from Operations</b>	<b>39,239</b>	<b>53,348</b>	<b>71,523</b>	<b>77,232</b>	<b>84,998</b>	<b>1,30,633</b>	<b>1,61,660</b>	<b>1,98,416</b>	<b>2,64,147</b>
Change (%)	-6.9	36.0	34.1	8.0	10.1	53.7	23.8	22.7	33.1
RM Cost	32,324	45,483	63,077	65,786	71,648	1,12,231	1,40,178	1,68,908	2,24,789
Employees Cost	754	862	1,079	1,422	1,296	1,530	2,062	2,642	3,302
Other Expenses	2,832	3,292	3,439	5,252	5,266	7,419	9,204	12,590	15,065
<b>Total Expenditure</b>	<b>35,909</b>	<b>49,637</b>	<b>67,595</b>	<b>72,459</b>	<b>78,210</b>	<b>1,21,181</b>	<b>1,51,444</b>	<b>1,84,139</b>	<b>2,43,156</b>
% of Sales	91.5	93.0	94.5	93.8	92.0	92.8	93.7	92.8	92.1
<b>EBITDA</b>	<b>3,330</b>	<b>3,710</b>	<b>3,928</b>	<b>4,773</b>	<b>6,787</b>	<b>9,453</b>	<b>10,216</b>	<b>14,277</b>	<b>20,991</b>
Margin (%)	8.5	7.0	5.5	6.2	8.0	7.2	6.3	7.2	7.9
Depreciation	509	534	643	959	1,028	1,090	1,383	1,803	2,101
<b>EBIT</b>	<b>2,821</b>	<b>3,176</b>	<b>3,286</b>	<b>3,814</b>	<b>5,759</b>	<b>8,363</b>	<b>8,832</b>	<b>12,474</b>	<b>18,890</b>
Int. and Finance Charges	720	813	1,134	1,073	661	445	671	1,028	700
Other Income	60	80	117	222	359	405	472	823	1,057
<b>PBT bef. EO Exp.</b>	<b>2,160</b>	<b>2,443</b>	<b>2,269</b>	<b>2,963</b>	<b>5,458</b>	<b>8,323</b>	<b>8,633</b>	<b>12,269</b>	<b>19,247</b>
EO Items	0	0	0	0	0	0	0	0	0
<b>PBT after EO Exp.</b>	<b>2,160</b>	<b>2,443</b>	<b>2,269</b>	<b>2,963</b>	<b>5,458</b>	<b>8,323</b>	<b>8,633</b>	<b>12,269</b>	<b>19,247</b>
Total Tax	639	862	787	403	1,381	2,133	2,215	3,145	4,844
Tax Rate (%)	29.6	35.3	34.7	13.6	25.3	25.6	25.7	25.6	25.2
Minority Interest	0	0	0	180	475	617	0	0	0
<b>Reported PAT</b>	<b>1,521</b>	<b>1,581</b>	<b>1,482</b>	<b>2,380</b>	<b>3,602</b>	<b>5,573</b>	<b>6,419</b>	<b>9,124</b>	<b>14,402</b>
<b>Adjusted PAT</b>	<b>1,521</b>	<b>1,581</b>	<b>1,482</b>	<b>2,380</b>	<b>3,602</b>	<b>5,573</b>	<b>6,419</b>	<b>9,124</b>	<b>14,402</b>
Change (%)	20.8	4.0	-6.2	60.5	51.3	54.7	15.2	42.1	57.9
Margin (%)	3.9	3.0	2.1	3.1	4.2	4.3	4.0	4.6	5.5

### Consolidated - Balance Sheet

(INRm)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	236	237	239	249	250	501	555	555	555
Total Reserves	6,798	8,141	9,402	13,313	16,697	22,139	29,501	37,238	49,976
<b>Net Worth</b>	<b>7,034</b>	<b>8,379</b>	<b>9,641</b>	<b>13,562</b>	<b>16,947</b>	<b>22,640</b>	<b>30,056</b>	<b>37,793</b>	<b>50,531</b>
Minority Interest	0	0	0	954	1,383	2,000	0	0	0
Total Loans	5,944	7,751	8,581	8,338	5,203	5,806	8,729	6,929	2,929
Deferred Tax Liabilities	813	994	1,200	1,012	1,112	1,187	1,171	1,171	1,171
<b>Capital Employed</b>	<b>13,790</b>	<b>17,124</b>	<b>19,422</b>	<b>23,865</b>	<b>24,644</b>	<b>31,633</b>	<b>39,957</b>	<b>45,894</b>	<b>54,632</b>
Gross Block	6,922	9,617	11,626	17,246	18,568	20,677	29,513	35,005	38,728
Less: Accum. Deprn.	454	988	1,548	2,507	3,535	4,625	6,008	7,811	9,912
<b>Net Fixed Assets</b>	<b>6,468</b>	<b>8,628</b>	<b>10,078</b>	<b>14,738</b>	<b>15,033</b>	<b>16,053</b>	<b>23,505</b>	<b>27,194</b>	<b>28,816</b>
Goodwill on Consolidation	230	230	230	1,375	1,375	1,375	1,375	1,375	1,375
Capital WIP	1,224	460	275	101	1,077	5,037	3,740	3,248	1,775
<b>Total Investments</b>	<b>4</b>	<b>11</b>	<b>494</b>	<b>15</b>	<b>15</b>	<b>913</b>	<b>960</b>	<b>5,460</b>	<b>8,960</b>
Current Investments	0	0	0	0	0	50	0	4,500	8,000
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>10,519</b>	<b>12,483</b>	<b>16,663</b>	<b>16,431</b>	<b>16,491</b>	<b>21,147</b>	<b>28,936</b>	<b>30,966</b>	<b>41,920</b>
Inventory	4,696	5,915	7,835	7,842	7,599	8,472	14,799	17,657	21,984
Account Receivables	2,949	4,321	5,433	4,764	1,306	3,417	1,374	1,631	2,171
Cash and Bank Balance	16	68	478	456	3,579	3,764	3,525	1,757	7,199
Loans and Advances	2,859	2,179	2,917	3,370	4,006	5,494	9,239	9,921	10,566
<b>Curr. Liability &amp; Prov.</b>	<b>4,656</b>	<b>4,688</b>	<b>8,317</b>	<b>8,796</b>	<b>9,345</b>	<b>12,891</b>	<b>18,560</b>	<b>22,349</b>	<b>28,214</b>
Account Payables	4,039	3,793	6,989	7,644	7,859	10,595	15,970	19,171	23,983
Other Current Liabilities	459	814	1,220	979	1,310	2,113	2,357	2,893	3,851
Provisions	157	81	108	173	177	184	233	286	380
<b>Net Current Assets</b>	<b>5,864</b>	<b>7,795</b>	<b>8,346</b>	<b>7,636</b>	<b>7,145</b>	<b>8,256</b>	<b>10,377</b>	<b>8,616</b>	<b>13,706</b>
<b>Appl. of Funds</b>	<b>13,790</b>	<b>17,124</b>	<b>19,422</b>	<b>23,865</b>	<b>24,644</b>	<b>31,633</b>	<b>39,957</b>	<b>45,894</b>	<b>54,632</b>

## Financials and valuations

### Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>5.5</b>	<b>5.7</b>	<b>5.3</b>	<b>8.6</b>	<b>13.0</b>	<b>20.1</b>	<b>23.1</b>	<b>32.9</b>	<b>51.9</b>
Cash EPS	7.3	7.6	7.7	12.0	16.7	24.0	28.1	39.4	59.5
BV/Share	25.4	30.2	34.8	48.9	61.1	81.6	108.4	136.3	182.2
DPS	1.0	1.2	1.2	0.0	0.0	3.5	3.5	5.0	6.0
Payout (%)	22.5	25.3	27.7	0.0	0.0	17.4	15.1	15.2	11.6
<b>Valuation (x)</b>									
P/E	292.3	281.2	299.9	186.8	123.4	79.8	69.3	48.7	30.9
Cash P/E	219.0	210.2	209.2	133.2	96.0	66.7	57.0	40.7	26.9
P/BV	63.2	53.1	46.1	32.8	26.2	19.6	14.8	11.8	8.8
EV/Sales	11.5	8.5	6.3	5.9	5.3	3.4	2.8	2.2	1.6
EV/EBITDA	135.3	121.9	115.2	95.0	65.9	47.5	44.0	31.2	20.6
Dividend Yield (%)	0.1	0.1	0.1	0.0	0.0	0.2	0.2	0.3	0.4
FCF per share	11.6	3.5	4.7	-5.4	24.1	1.6	-2.3	22.1	51.4
<b>Return Ratios (%)</b>									
RoE	23.9	20.5	16.5	20.5	23.6	28.2	24.4	26.9	32.6
RoCE	16.1	14.5	12.9	17.4	20.8	25.8	20.6	23.7	30.4
RoIC	15.8	14.1	12.4	15.9	19.9	29.7	24.5	27.6	39.2
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	5.7	5.5	6.2	4.5	4.6	6.3	5.5	5.7	6.8
Asset Turnover (x)	2.8	3.1	3.7	3.2	3.4	4.1	4.0	4.3	4.8
Inventory (Days)	44	40	40	37	33	24	33	32	30
Debtor (Days)	27	30	28	23	6	10	3	3	3
Creditor (Days)	38	26	36	36	34	30	36	35	33
<b>Leverage Ratio (x)</b>									
Current Ratio	2.3	2.7	2.0	1.9	1.8	1.6	1.6	1.4	1.5
Interest Cover Ratio	3.9	3.9	2.9	3.6	8.7	18.8	13.2	12.1	27.0
Net Debt/Equity	0.8	0.9	0.8	0.6	0.1	0.1	0.2	0.0	-0.2

### Consolidated - Cash Flow Statement

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>(INRm)</b>									
OP/(Loss) before Tax	2,160	2,443	2,269	2,963	5,458	8,323	8,633	12,269	19,247
Depreciation	509	534	0	959	1,028	1,090	1,383	1,803	2,101
Interest & Finance Charges	711	789	0	851	302	40	199	205	-357
Direct Taxes Paid	-629	-602	-673	-403	-1,381	-1,993	-2,161	-3,145	-4,844
(Inc)/Dec in WC	330	-2,342	287	725	3,577	-1,154	-1,475	-8	353
<b>CF from Operations</b>	<b>3,082</b>	<b>823</b>	<b>1,884</b>	<b>5,096</b>	<b>8,983</b>	<b>6,306</b>	<b>6,580</b>	<b>11,123</b>	<b>16,500</b>
Others	72	91	1,693	0	0	211	321	0	0
<b>CF from Operating incl EO</b>	<b>3,154</b>	<b>914</b>	<b>3,576</b>	<b>5,096</b>	<b>8,983</b>	<b>6,517</b>	<b>6,901</b>	<b>11,123</b>	<b>16,500</b>
(Inc)/Dec in FA	61	48	-2,261	-6,591	-2,298	-6,070	-7,539	-5,000	-2,250
<b>Free Cash Flow</b>	<b>3,215</b>	<b>961</b>	<b>1,316</b>	<b>-1,495</b>	<b>6,685</b>	<b>447</b>	<b>-638</b>	<b>6,123</b>	<b>14,250</b>
(Pur)/Sale of Investments	2	2	-390	479	0	-898	-48	-4,500	-3,500
Others	-1,761	-1,703	13	1,763	-4,171	1,666	-1,171	823	1,057
<b>CF from Investments</b>	<b>-1,697</b>	<b>-1,654</b>	<b>-2,639</b>	<b>-4,349</b>	<b>-6,468</b>	<b>-5,301</b>	<b>-8,757</b>	<b>-8,677</b>	<b>-4,693</b>
Issue of Shares	106	100	56	10	1	251	1,284	0	0
Inc/(Dec) in Debt	-554	1,807	830	-244	-3,135	603	2,924	-1,800	-4,000
Interest Paid	-725	-772	-1,014	-1,073	-661	-445	-671	-1,028	-700
Dividend Paid	-234	-283	-400	0	0	-971	-971	-1,387	-1,664
Others	-47	-59	0	538	4,403	-469	-949	0	0
<b>CF from Fin. Activity</b>	<b>-1,454</b>	<b>792</b>	<b>-528</b>	<b>-768</b>	<b>609</b>	<b>-1,031</b>	<b>1,617</b>	<b>-4,214</b>	<b>-6,364</b>
<b>Inc/Dec of Cash</b>	<b>2</b>	<b>52</b>	<b>410</b>	<b>-22</b>	<b>3,123</b>	<b>185</b>	<b>-240</b>	<b>-1,768</b>	<b>5,442</b>
Opening Balance	14	16	68	478	456	3,579	3,765	3,525	1,757
<b>Closing Balance</b>	<b>16</b>	<b>68</b>	<b>478</b>	<b>456</b>	<b>3,579</b>	<b>3,765</b>	<b>3,525</b>	<b>1,757</b>	<b>7,199</b>

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Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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