8 January 2024

Company Update | Sector: Capital Goods

Kirloskar Oil Engines

BSE SENSEX	S&P CNX
71,386	21,545

Stock Info

Bloomberg	KOEL IN
Equity Shares (m)	145
M.Cap.(INRb)/(USDb)	95.3 / 1.1
52-Week Range (INR)	687 / 288
1, 6, 12 Rel. Per (%)	5/57/92
12M Avg Val (INR M)	236

Financials &Valuations (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Net Sales	48.0	56.0	64.4
EBITDA	11.1	11.6	12.2
PAT	3.5	4.3	5.3
EPS (INR)	23.9	29.9	36.9
Gr. (%)	27.9	25.1	23.5
BV/Sh (INR)	178.6	200.5	227.5
Ratios			
RoE (%)	14.1	15.8	17.3
RoCE (%)	13.8	15.6	17.1
Valuations			
P/E (x)	27.6	22.0	17.8
P/BV (x)	3.7	3.3	2.9
EV/EBITDA (x)	17.7	14.1	11.2
Divd Yld (%)	1.0	1.2	1.5

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	41.2	41.2	59.4
DII	24.3	28.6	13.6
FII	7.8	6.2	2.7
Others	26.7	24.0	24.4

FII Includes depository receipts

CMP: INR657 TP: INR840 (+28%) Buy

Equipped with a strong array of products

We continue to remain positive on Kirloskar Oil Engines due to its strong product portfolio within the powergen segment across CPCB 2, CPCB 4+, and fuel agnostic engines. Additionally, the company's strategic focus on expanding its aftermarket and exports bodes well for long-term growth. While competition in the powergen segment is increasing, the market for CPCB 4+ compliant products is likely to be influenced by players offering a wide range within this category, coupled with a strong distribution network. Unlike the last shift in emission norms, we do not expect a sharp price correction due to much better demand and strong market positioning of key players. KOEL is positioned well in both powergen and industrial markets and is ramping up its distribution and export portfolio. KOEL has a potential to re-rate further from current levels on better than expected growth in exports, higher share of HHP genset sales as well as further ramp up in distribution portfolio. We reiterate BUY on KOEL with a target price of INR840 based on SOTP methodology valuing core business at 20X March, 26 earnings.

Key investment argument

KOEL is ready with its wide portfolio of products across segments

KOEL has launched 37 diesel genset models across CPCB 4+ compliant product range. Market demand is currently dominated by CPCB 2 products. However, we anticipate a transition toward CPCB 4+ products starting from 4QFY24/1QFY25. This shift is expected to yield higher pricing, with an estimated increase ranging between 20% and 40% across various nodes. Additionally, the company has introduced other fuel agnostic products in its portfolio. The company has developed IOT-enabled gas generator across various power nodes with digital monitoring systems. It also introduced a dual fuel kit during the year that can be retrofitted to existing and future diesel generators, enabling them to operate efficiently using a combination of both gas and diesel fuels.

Competition is intensifying, but strong demand will support pricing

Industry players had margin buffer during last cycle of emission norm shift which resulted in aggressive price corrections in order to gain market share. Demand also weakened during the same period which aggravated pricing pressure. However, in the current emission norm shift, costs are increasing by nearly 30-40%. The newer gensets require nearly 400 additional parts, contributing to increased expenses, further compounded by higher import content. We expect these cost hikes to get passed on by most of the companies as the current margin profile is lower than the last transition shift seen during FY13-15. Along with this, players are at a comfortable market share and demand is also supporting the prices. Thus, after the initial round of 35-40% price hikes post CPCB 4+ implementation, we do not expect aggressive price correction in the genset market.

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Strong distribution network provides edge to market leaders

Several players, including KOEL, Greaves Cotton, Cummins, Mahindra Powerol, Perkins, Caterpillar, and Baudouin, have established their presence in the genset market across various nodes. During the shift toward CPCB 4+ norms, customers' preference for product purchase would depend on 1) node and model availability and 2) distribution network. Typically, there is a gap of two to three quarters for after-market demand to start picking up. KOEL has >400 service outlets across India, connected through a digital platform and >3,000 trained personnel. Similarly, Cummins has >480 service touchpoints across India. This acts as a formidable barrier to entry as customers prefer players with a wide distribution network so as to ensure minimal disruption in case of a breakdown.

Company has scope for further margin improvement over next few years

KOEL has a scope of further improvement in margins over the next one to two years, driven by 1) the higher share of HHP sales post the launch of OptiPrime series catering to 1,500kVA and above, 2) higher share of exports over time by penetrating into newer geographies, coupled with the possibility of exporting CPCB 4+ products in the international market, and 3) a higher share of distribution and aftermarket sales. It is already catching up with Cummins on gross margins, but overall margins of KOEL are lower than Cummins due to low-to-mid kVA range product mix, lower share of exports and distribution as well as low margin B2C segment. KOEL has already applied for certification for CPCB 4+ products in the US and is also foraying into the US market through a 51% stake purchase of Engines LPG LLC, an entity focused on powergen manufacturing and selling.

Business heads across divisions

KOEL is strategically targeting growth across B2B and B2C segments and has made senior management changes in the last few years. Ms Gauri Kirloskar is the Managing Director for KOEL. The B2B division is being headed by Mr Rahul Sahai who was earlier a part of Cummins India as Director for Marketing & Engineering. The B2C division is being headed by Mr Aseem Srivastava who aims to strengthen reach and profitability in water-management solutions and farm mechanization.

Financial outlook

We expect a revenue CAGR of 16% over FY23-26, driven by 18%/18%/16%/15%/10% CAGR in powergen/industrial/distribution/exports/B2C. Over FY23-26E, we bake in 170bp improvement in margins to build in gross margin improvement and operating leverage benefits. We expect a PAT CAGR of 25% over the same period.

Valuation and recommendation

The stock is currently trading at 22.0x/17.8x FY25/26E earnings. We value the company on SOTP methodology valuing core business at 20x P/E on March, 26E earnings. We maintain BUY rating on KOEL with a revised TP of INR840. The company's subsidiary Arka Fincap has also raised funds via NCD worth INR3b, and it is expected to be utilized for further lending. KOEL has the potential for further re-rating from current levels, driven by better-than-expected growth in exports, a higher share of HHP genset sales, and continued expansion of its distribution portfolio.

Expanding product portfolio to aid KOEL's market positioning

KOEL has launched 37 diesel genset models across CPCB 4+ compliant product range. Market demand is currently dominated by CPCB 2 products and we expect it to transition to CPCB 4+ compliant products starting from 4QFY24/1QFY25. This shift is expected to yield higher pricing, with an estimated increase ranging between 20% and 40% across various nodes. The company also has nodes available across 750kVA and 1,010kVA and has recently launched OptiPrime series to cater to 1,500kVA and above market. Additionally, the company has introduced other fuel agnostic products in its portfolio. The company has developed IOT-enabled gas generator across various power nodes with digital monitoring systems. It also introduced dual fuel kit during the year that can be retrofitted to existing and future diesel generators, enabling them to operate efficiently using a combination of both gas and diesel fuels.

Exhibit 1: KOEL launched 37 diesel genset models across CPCB 4+ compliant product range

Range	No. of models
3.5-5.5kVA	2 (3.5, 5.5kVA)
7.5-20kVA	7 (7,7.5, 10, 12.5, 15, 17.5, 20kVA)
25-62.5kVA	7 (25, 30, 35, 40, 45, 58.5, 62.5kVA)
70-160kVA	7 (70, 75, 82.5, 100, 125, 140, 160kVA)
180-250kVA	3 (180, 200, 250kVA)
275-750kVA	11 (275, 300, 320, 380, 400, 450, 500, 625, 650, 700, 750kVA)

Exhibit 2: Company also has 17 models on gas gensets compliant with latest norms

Range	No. of models
5-20kVA	5 (5, 7.5, 10, 12.5, 15kVA)
25-58 kVA	4 (45, 50, 55, 58kVA)
82.5-160kVA	4 (100, 125, 140, 160kVA)
180-250kVA	4 (180, 200, 225, 250kVA)

Source: Company, MOFSL

Exhibit 3: KOEL has started entering the high-ratings segment in 750kVa, 1010kVa, 1,500kVa, and 2,020kVa

Ratings segment	End Use Industries
<160 kVA (Low)	❖ Telecom(15-75kva), Retail sales, Small scale Industries Units
200-375 kVA (Mid)	❖ Real Estate(Residential and Commercial), Hospitals
375-750 kVA (Heavy)	❖ Large Industrial Applications, IT, ITES, Hospitals, Hotels, Healthcare
750-3,000 kVA (High)	❖ Data Centers, Metros, Hospitals, Educational Institutions

Source: Industry, MOFSL

Exhibit 4: Company has constantly introduced new products across new technology and fuel agnostic engines

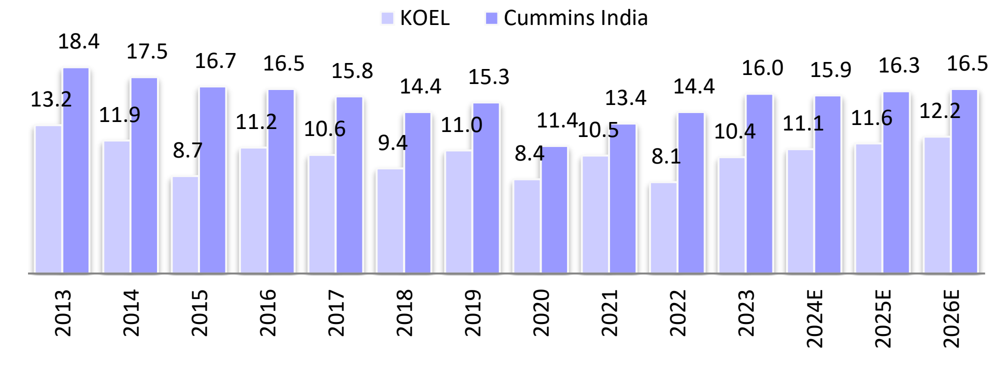
Product	Description
HHP K4300 platform	❖ Development of 12, 16 & 20 cylinder engines that cater to both power generation & industrial applications
OptiPrime	❖ The 'OptiPrime' can be used as a single unit, two different ones, prime and standby in the same box. It is perfect for applications that have variable power needs
Fuel agnostic engines - gas	❖ KOEL is a key member in the power generation market developing the widest range of dedicated PNG based Central Pollution Control Board (CPCB) compliant gensets from 15kVA to 500kVA range.
Fuel agnostic engines - ethanol	❖ KOEL developed technology to utilize 100% Ethanol fuel (E100) in power generation application and installed one set of 62.5kVA in field
Fuel agnostic engines - hydrogen-blended gas	❖ KOEL is working with Industry partners to deliver H2-blended natural gas as a fuel to improve engine performance, emissions, and reliability
Fuel agnostic engines - methanol	❖ KOEL developed technology for 100% Methanol fuel (M100) in power generation application and two genset nodes 20kVA and 62.5kVA are under development
Fuel agnostic engines - hybrid	❖ KOEL is leveraging its patented hybrid technology to create hybrid and microgrid power systems combining power generators, batteries, grid, solar, and other renewable energy sources to provide a complete power solution to its customers

Source: Company, MOFSL

Strong demand mitigates the possibility of a pricing war

During the last cycle of emission norm shifts, industry players maintained a margin buffer, leading to aggressive price corrections aimed at capturing larger market shares. Demand also weakened during the same period, which aggravated pricing pressure. However, in the current emission norm shift, costs are increasing by nearly 30-40% as new gensets require ~400 new parts and import content is also higher. We expect these cost hikes to get passed on by most of the companies as the current margin profile is lower than the last transition seen during FY13-15. Moreover, with players holding a comfortable market share and sustained demand supporting the prices, we anticipate a moderate impact on pricing after the initial 35-40% price hikes following the CPCB 4+ implementation in the genset market. Nevertheless, some competition in specific nodes and geographies cannot be ruled out.

Exhibit 5: During the last shift in emission norms around FY13-15, players exhibited healthy EBITDA %, and went aggressive on pricing to gain market share (%)



Source: Company, MOFSL

Exhibit 6: Prices for CPCB 4+ products are at substantial premium to similar nodes for CPCB 2 (INR lakh)

Node	Cummins	KOEL
15kva		3,35,000
20kva	3,50,000	3,40,000
30kva	6,35,000	6,25,000
40kva	7,33,000	7,67,000
58.5kva	8,26,000	8,66,000
82.5kva	11,95,000	11,80,000
125kva	14,50,000	14,55,000
160kva	16,50,000	
200kva	24,25,000	19,25,000
250kva	26,75,000	22,50,000
500kva	42,00,000	

Source: Channel checks, Industry, MOFSL

Demand has been on an upswing with strong traction in sectors such as data centres, commercial and residential real estate, hospitality, and manufacturing. Notably, the 5G rollout has given a fillip to uninterrupted power requirement from telecom towers. Power capacity addition in the past decade has lagged the growth in demand, leading to a power deficit, which in FY23, widened to 8.6GW vs 2.5GW in FY22. In order to narrow this deficit, a slew of additions have been announced on both the thermal and renewable side, the execution and commissioning of which will take some time. Therefore, demand for gensets will continue to sustain till the time 24-hour grid-sourced power availability is achieved. Additionally, demand for CPCB4+ compliant products is seeing a healthy improvement in regions such as Delhi-NCR, where emission norms are more stringent.

Exhibit 7: Healthy opportunity size across various sectors led by government policies

Demand driver	Opportunity size
Real estate	New residential/commercial launches of 851/52 msf in CY22 to drive demand
PLI capex	Incentives worth ~INR2t to stimulate industrial capex, boosting demand for gensets
Data centres	Expected installations of ~1,700MW by CY25 to support demand for HHP gensets

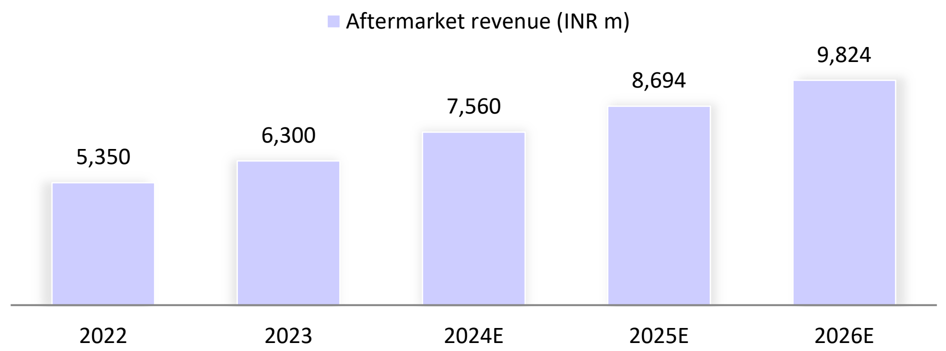
Source: Industry, MOFSL

Wide distribution network acts as a formidable entry barrier

Several players, including KOEL, Greaves Cotton, Cummins, Mahindra Powerol, Perkins, Caterpillar, and Baudouin have already established their presence in the genset market across various nodes. During the transition toward CPCB 4+ norms, customers' preference for product purchase would depend on 1) node and model availability and 2) distribution network. Typically, there is a gap of two to three quarters for after-market demand to start picking up. KOEL has >400 service outlets across India, connected through a digital platform and >3,000 trained personnel. Similarly, Cummins has >480 service touchpoints across India. This acts as a formidable barrier to entry as customers prefer players with a wide distribution network so as to ensure minimal disruption in case of a breakdown.

Given the strong demand traction for the industrial and powergen segments, there would be a concurrent increase in demand for after-sales service. Additionally, the higher level of electronic content in the CPCB4+ gensets increases the level of complexity. This improves the scope for after-sales income beyond the usual warranty income in the form of AMC offerings, where the company can increase its penetration. Accordingly, we expect a 16% revenue CAGR over FY23-26 for the distribution segment.

Exhibit 8: We expect aftermarket revenue to clock in 16% CAGR over FY23-26E (INR m)



Source: Company, MOFSL

Company has scope for further margin improvement over next few years

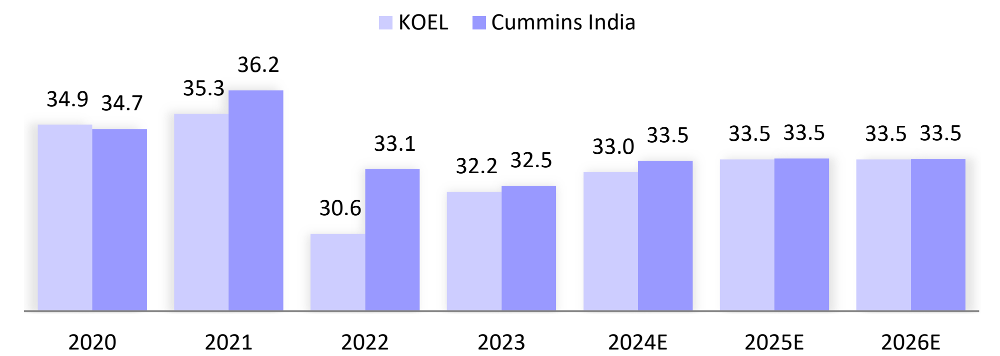
KOEL has a scope of further improvement in margins over the next one to two years, driven by 1) the higher share of HHP sales post the launch of Optiprime series catering to 1,500kVA and above, 2) higher share of exports over time by penetrating into newer geographies, coupled with the possibility of exporting CPCB 4+ products in the international market, and 3) a higher share of distribution and aftermarket sales.

Exhibit 9: Cummins enjoys superior margins, owing to higher share of exports & HHP; KOEL also has to incur additional costs in the B2C segment, which is in a growth phase, and margin improvement will occur gradually as the segment scales up (%)

Other expenses (% of sales)	2018	2019	2020	2021	2022	2023
KOEL						
Stores consumed	2.6	2.1	2.0	1.8	2.0	2.0
Cost of services	1.5	2.0	2.8	3.3	2.6	2.5
Freight & forwarding	2.2	2.3	2.4	2.2	2.0	1.9
Warranty	1.3	1.4	1.5	1.3	1.2	1.2
Professional charges	1.3	1.4	1.4	1.2	1.2	1.1
Cummins India						
Stores & spares	1.0	0.8	0.9	1.1	1.1	0.9
Other expenses	3.3	3.1	3.3	3.0	2.9	2.5
Warranty Expenses	1.6	1.5	1.4	0.8	0.8	0.9
Technical fees and royalties	2.5	2.5	3.2	3.4	2.1	1.7

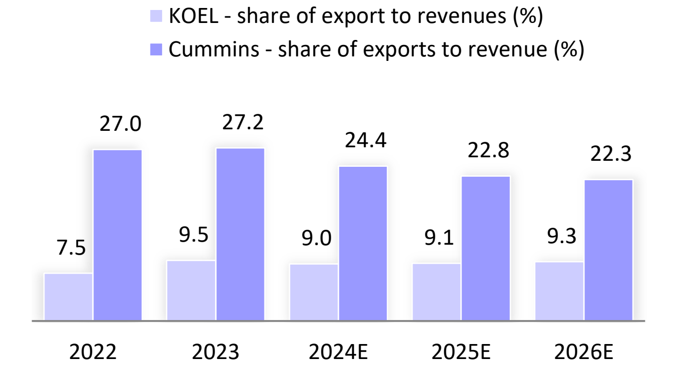
Source: Company, MOFSL

Exhibit 10: KOEL has largely managed to catch up with Cummins at gross margin level (%)



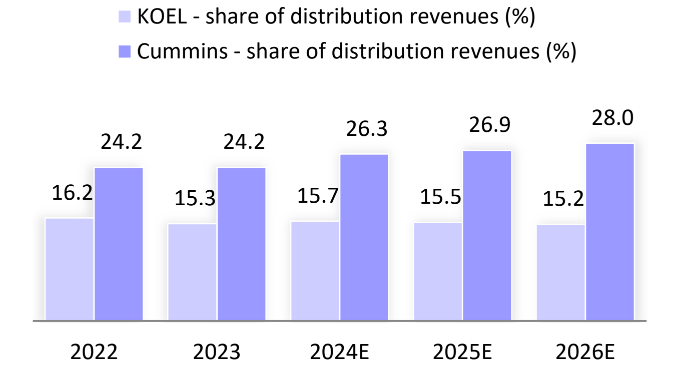
Source: Company, MOFSL

Exhibit 11: Export share is still much lower for KOEL vs. Cummins (%)



Source: Company, MOFSL

Exhibit 12: KOEL's share of distribution is also lower vs. Cummins (%)

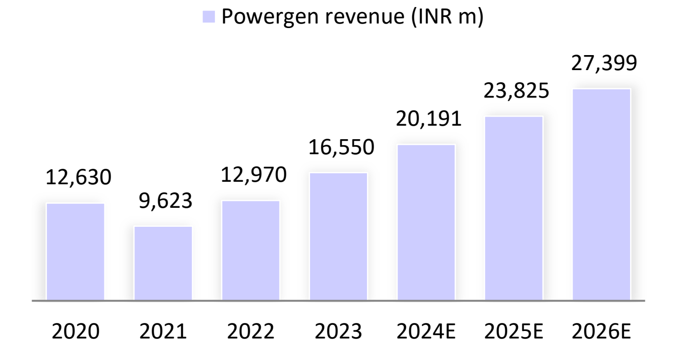


Source: Company, MOFSL

Financial outlook

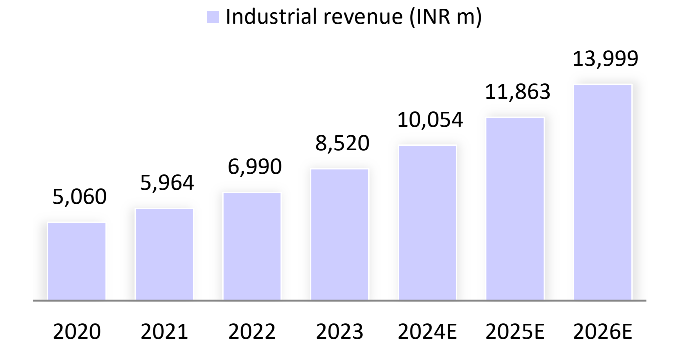
We expect a revenue CAGR of 16% over FY23-26, driven by 18%/18%/16%/15%/10%% CAGR in powergen/industrial/distribution/exports/B2C. Over FY23-26E, we bake in 170bp improvement in margins to build in gross margin improvement and operating leverage benefits. We expect PAT CAGR of 25% over the same period.

Exhibit 13: We expect powergen revenue to start witnessing improvement in coming quarters



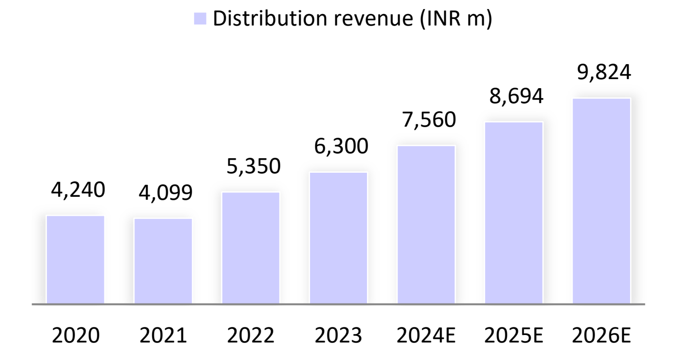
Source: Company, MOFSL

Exhibit 14: We expect industrial revenue to register a CAGR of 18% over FY23-26 on strong demand



Source: Company, MOFSL

Exhibit 15: We expect distribution revenue growth to remain strong at a 16% CAGR over FY23-26

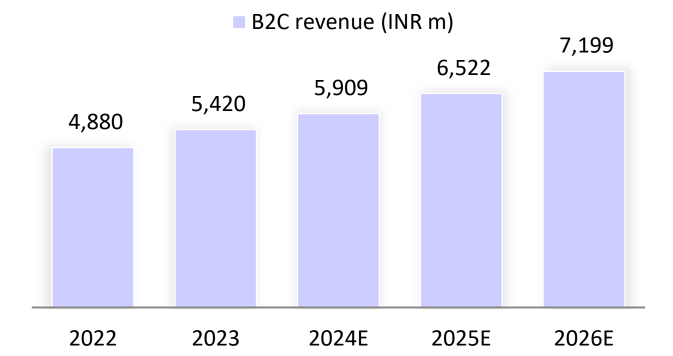


Source: Company, MOFSL

Exhibit 16: We expect exports revenue to witness a steady pace of 15% CAGR over FY23-26

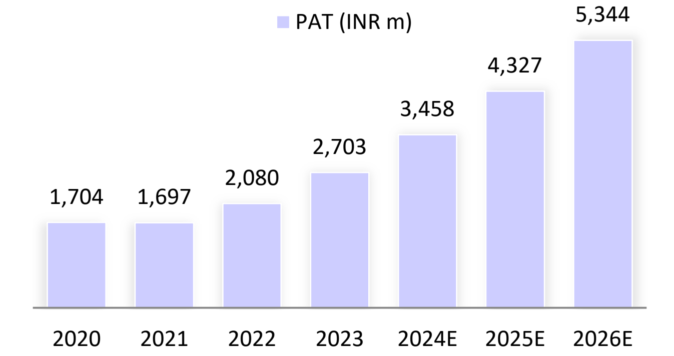
Source: Company, MOFSL

Exhibit 17: We expect B2C revenue to register a CAGR of 10% over FY23-26 with expanding footprint



Source: Company, MOFSL

Exhibit 18: We expect KOEL's PAT to post a 25% CAGR over FY23-26



Source: Company, MOFSL

Valuations

The stock is currently trading at 22.0x/17.8x FY25/26E earnings. We value the company on SOTP methodology, valuing core business at 20x P/E on two-year forward earnings. We roll forward to Mar'26 and maintain our BUY rating on the stock with a revised TP of INR840.

Exhibit 19: SOTP valuation

	Earnings/ book	Valn multiple	Value	KOEL's share	Value for KOEL's share	Per share value	
	(INR m)	(X)	(INR m)	(%)	(INR m)	(INR)	Valuation basis
KOEL valuation							
Core business	5,344	20.0	1,06,879	100.0	1,06,879	738	❖ 20X two-year fwd EPS
Investments							
La Gajjar Machineries	104	10.0	1,042	100.0	1,042	7	❖ 10X P/E two-year forward earnings
Arka Fincorp	11,100	1.2	13,320	100.0	13,320	92	❖ 1.2X P/BV of investment of INR11b
Total					**1,21,241**	**840**	

Source: Company, MOFSL

Financials and Valuation

Income Statement (Standalone)							(INR Million)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**	**FY26E**
Total Income from Operations	**28,775**	**26,944**	**32,997**	**41,161**	**48,036**	**56,006**	**64,441**
Change (%)	-10.2	-6.4	22.5	24.7	16.7	16.6	15.1
Raw Materials	18,740	17,431	22,912	27,897	32,184	37,244	42,853
Gross Profit	**10,035**	**9,513**	**10,085**	**13,264**	**15,852**	**18,762**	**21,588**
Employees Cost	2,178	1,989	2,070	2,365	2,882	3,360	3,866
Other Expenses	5,439	4,686	5,327	6,630	7,638	8,905	9,859
Total Expenditure	**26,357**	**24,106**	**30,309**	**36,892**	**42,704**	**49,509**	**56,579**
% of Sales	91.6	89.5	91.9	89.6	88.9	88.4	87.8
EBITDA	**2,418**	**2,838**	**2,688**	**4,269**	**5,332**	**6,497**	**7,862**
Margin (%)	8.4	10.5	8.1	10.4	11.1	11.6	12.2
Depreciation	666	622	772	848	883	935	992
EBIT	**1,752**	**2,217**	**1,915**	**3,422**	**4,449**	**5,562**	**6,870**
Int. and Finance Charges	38	64	62	54	54	40	24
Other Income	374	245	248	273	264	308	354
PBT bef. EO Exp.	**2,087**	**2,398**	**2,100**	**3,641**	**4,659**	**5,830**	**7,201**
EO Items	165	-84	527	0	0	0	0
PBT after EO Exp.	**2,252**	**2,314**	**2,627**	**3,641**	**4,659**	**5,830**	**7,201**
Total Tax	548	617	547	939	1,201	1,503	1,857
Tax Rate (%)	24.3	26.6	20.8	25.8	25.8	25.8	25.8
Reported PAT	**1,704**	**1,697**	**2,080**	**2,703**	**3,458**	**4,327**	**5,344**
Adjusted PAT	**1,579**	**1,759**	**1,663**	**2,703**	**3,458**	**4,327**	**5,344**
Change (%)	-29.8	11.4	-5.4	62.5	27.9	25.1	23.5
Margin (%)	5.5	6.5	5.0	6.6	7.2	7.7	8.3

Balance Sheet (Standalone)							(INR Million)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**	**FY26E**
Equity Share Capital	289	289	289	290	290	290	290
Total Reserves	18,013	19,542	21,105	23,028	25,560	28,729	32,642
Net Worth	**18,302**	**19,832**	**21,395**	**23,318**	**25,850**	**29,019**	**32,932**
Total Loans	156	793	976	751	601	401	201
Deferred Tax Liabilities	52	125	146	61	61	61	61
Capital Employed	**18,510**	**20,749**	**22,517**	**24,131**	**26,513**	**29,481**	**33,195**
Net Fixed Assets	**3,623**	**4,455**	**4,502**	**4,251**	**4,368**	**4,533**	**4,752**
Capital WIP	744	549	393	664	664	664	664
Total Investments	**11,014**	**15,340**	**16,722**	**16,925**	**16,925**	**16,925**	**16,925**
Curr. Assets, Loans & Adv.	**9,203**	**8,092**	**8,505**	**11,557**	**15,370**	**19,967**	**25,361**
Inventory	3,003	2,652	3,031	4,685	6,125	7,141	8,217
Accounts Receivable	3,628	3,558	3,945	4,672	5,452	6,357	7,314
Cash and Bank Balance	171	294	314	338	1,788	4,299	7,486
Loans and Advances	1,349	872	656	852	994	1,159	1,333
Other Assets	1,051	716	558	1,011	1,011	1,011	1,011
Curr. Liability & Prov.	**6,073**	**7,686**	**7,606**	**9,267**	**10,814**	**12,609**	**14,508**
Accounts Payable	4,798	6,419	6,175	6,326	7,383	8,608	9,904
Other Current Liabilities	696	646	729	1,700	1,983	2,313	2,661
Provisions	580	622	702	1,241	1,448	1,689	1,943
Net Current Assets	**3,129**	**406**	**899**	**2,291**	**4,555**	**7,358**	**10,853**
Misc Expenditure	0	0	0	0	0	0	0
Appl. of Funds	**18,510**	**20,749**	**22,517**	**24,131**	**26,13**	**29,481**	**33,195**

Financials and Valuation

Ratios (Standalone)

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)							
EPS	**10.9**	**12.2**	**11.5**	**18.7**	**23.9**	**29.9**	**36.9**
Cash EPS	15.5	16.4	16.8	24.5	30.0	36.4	43.8
BV/Share	126.4	137.0	147.8	161.1	178.6	200.5	227.5
DPS	7.8	1.5	4.7	5.0	6.4	8.0	9.9
Payout (%)	66.5	12.8	32.6	26.8	26.8	26.8	26.8
Valuation (x)							
P/E	60.4	54.2	57.3	35.3	27.6	22.0	17.8
Cash P/E	42.5	40.1	39.1	26.9	21.9	18.1	15.0
P/BV	5.2	4.8	4.5	4.1	3.7	3.3	2.9
EV/Sales	3.3	3.6	2.9	2.3	2.0	1.6	1.4
EV/EBITDA	39.4	33.8	35.7	22.4	17.7	14.1	11.2
Dividend Yield (%)	1.2	0.2	0.7	0.8	1.0	1.2	1.5
FCF per share	10.6	27.5	7.9	9.6	17.8	27.0	33.4
Return Ratios (%)							
RoE	8.8	9.2	8.1	12.1	14.1	15.8	17.3
RoCE	8.8	9.2	8.0	11.8	13.8	15.6	17.1
RoIC	21.5	29.2	31.4	45.0	49.5	56.1	64.9
Working Capital Ratios							
Fixed Asset Turnover (x)	1.9	1.7	1.9	2.4	2.6	2.9	3.1
Asset Turnover (x)	1.6	1.3	1.5	1.7	1.8	1.9	1.9
Inventory (Days)	38	36	34	42	47	47	47
Debtor (Days)	46	48	44	41	41	41	41
Creditor (Days)	61	87	68	56	56	56	56
Leverage Ratio (x)							
Current Ratio	1.5	1.1	1.1	1.2	1.4	1.6	1.7
Interest Cover Ratio	45.9	34.9	30.7	63.8	82.2	138.7	284.9
Net Debt/Equity	-0.6	-0.7	-0.8	-0.7	-0.7	-0.7	-0.7

Cash Flow Statement (Standalone) (INR Million)

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	2,252	2,314	2,627	3,641	4,659	5,830	7,201
Depreciation	666	622	772	848	883	935	992
Interest & Finance Charges	38	38	50	35	54	40	24
Direct Taxes Paid	-679	-324	-567	-960	-1,201	-1,503	-1,857
(Inc)/Dec in WC	407	2,654	-157	-1,025	-815	-291	-308
CF from Operations	**2,685**	**5,304**	**2,726**	**2,539**	**3,580**	**5,010**	**6,051**
Others	-396	-42	-782	61	0	0	0
CF from Operating incl EO	**2,289**	**5,262**	**1,944**	**2,601**	**3,580**	**5,010**	**6,051**
(Inc)/Dec in FA	-752	-1,282	-804	-1,206	-1,000	-1,100	-1,210
Free Cash Flow	**1,537**	**3,979**	**1,140**	**1,394**	**2,580**	**3,910**	**4,841**
(Pur)/Sale of Investments	4,159	-2,855	680	3,235	0	0	0
Others	-4,995	-1,316	-8,870	-3,585	0	0	0
CF from Investments	**-1,588**	**-5,453**	**-8,994**	**-1,556**	**-1,000**	**-1,100**	**-1,210**
Inc/(Dec) in Debt	10	613	172	-236	-150	-200	-200
Interest Paid	-38	-62	-53	-50	-54	-40	-24
Dividend Paid	-940	-217	-578	-723	-926	-1,158	-1,430
Others	-1,422	-20	7,529	-12	0	0	0
CF from Fin. Activity	**-2,391**	**314**	**7,070**	**-1,021**	**-1,130**	**-1,398**	**-1,655**
Inc/Dec of Cash	**-1,690**	**123**	**20**	**23**	**1,450**	**2,512**	**3,187**
Opening Balance	1,861	171	294	314	338	1,788	4,299
Closing Balance	**172**	**294**	**314**	**338**	**1,788**	**4,299**	**7,486**

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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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