

Gabriel India Ltd.

Favourably positioned as key clients in ICE & EV gaining market share!

A slight miss in Q2 as margins were lower than expectation due to poor mix. However, reported highest quarterly Revenue/EBITDA/PAT in Q2 with strong FCF generation in H1. The company has been outperforming the auto industry growth since multi-quarters, and this traction should continue as its key clients in 2W ICE/EV & PV has been gaining share, and Gabriel has been winning new orders. The combination of 1) high margin FSD tech in PVs, 2) growing % contribution from 2W EVs, 3) CORE90 program benefits, 4) expectation of getting compensation from PV OEMs, 5) winning new business in high margin SUVs, and 6) operating leverage benefits will keep improving its margin in the coming quarters/years ahead. Sunroof business to add new wings to fly higher, more new techno-agnostic product additions are on cards to keep driving earnings. We are strongly convinced of the company's competitive position, and is well placed for the mid-to-long term growth opportunities. It's a debt-free and has always generated positive cash flows in the last 11 years. The stock is trading at P/E of 18.3x Sept 2025 estimated EPS of Rs 18.6. Gabriel has strong growth prospects with healthy return profile, we have assigned a multiple of 22x to its Sept 2025 estimated EPS to arrive at a fair value of Rs 409 a piece. Our estimates largely remain intact. **Maintain BUY!**

Q2FY24 result analysis – reported highest quarterly Revenue/EBITDA/PAT

- The result is slightly lower than our estimates, however internal metrics looking strong due to strong FCF generation & double-digit PAT growth in Q2FY24 & H1FY24.
- Revenue/EBITDA/PAT was lower than our estimates by ~2%/6%/6% to Rs 8,644mn/738mn/470mn respectively. Gabriel reported its highest quarterly Revenue, EBITDA and PAT in Q2FY24.
- The industry in Q2 reported ~1% YoY growth vis-a-vis Gabriel's revenue growth of ~8% for the same period. **It has been outperforming industry since multi-quarters now.**
- Margin miss vs. our estimates was on account of** 1) higher mix of low margin PV business (+300bps YoY to 25% of revenue), 2) drop in high margin 2W business (-400bps YoY to 61%) & Exports business (-38bps YoY to 2.7%).
- FCF substantially increased from negative Rs 130mn in H1FY23 to positive Rs 338mn in H1FY24. Declared interim dividend of Rs 1.50 per share.

| Y/E Mar (Rs mn) | Q2 FY24 | Q2 FY23 | YoY (%) | Q1 FY24 | QoQ (%) | Q2 FY24e | Var. (%) |
|------------------------|--------------|--------------|-------------|--------------|-------------|--------------|--------------|
| Revenue | 8,644 | 8,029 | 7.7 | 8,058 | 7.3 | 8,832 | (2.1) |
| Gross margin (%) | 24.7 | 23.0 | 173 bps | 25.2 | (49) bps | - | - |
| EBITDA | 738 | 591 | 24.8 | 690 | 6.9 | 788 | (6.4) |
| EBITDA margin (%) | 8.5 | 7.4 | 117 bps | 8.6 | (3) bps | 8.9 | (39) bps |
| Other income | 46 | 29 | 55.9 | 46 | (1.4) | - | - |
| PBT | 630 | 492 | 28.0 | 577 | 9.2 | - | - |
| Taxes paid | 161 | 127 | 26.9 | 152 | 5.6 | - | - |
| Effective tax rate (%) | 25.5 | 25.7 | (23) bps | 26.3 | (87) bps | - | - |
| Reported PAT | 470 | 366 | 28.4 | 425 | 10.5 | 499 | (5.8) |
| PAT margin (%) | 5.4 | 4.6 | 88 bps | 5.3 | 16 bps | 5.6 | (21) bps |

Source: Company, SMIFS research

| Y/E Mar (Rs Mn) | Revenue | YoY (%) | EBITDA | EBITDA (%) | PAT | YoY (%) | EPS | RoE (%) | RoCE (%) | P/E (x) | EV/EBITDA (x) |
|-----------------|---------|---------|--------|------------|-------|---------|------|---------|----------|---------|---------------|
| FY22 | 23,320 | 37.6 | 1,459 | 6.3 | 895 | 48.5 | 6.2 | 12.2 | 12.4 | 21.1 | 12.1 |
| FY23 | 29,717 | 27.4 | 2,137 | 7.2 | 1,324 | 47.9 | 9.2 | 16.2 | 16.3 | 16.2 | 9.2 |
| FY24e | 34,332 | 15.5 | 3,000 | 8.7 | 1,903 | 43.8 | 13.2 | 19.0 | 19.1 | 25.7 | 15.4 |
| FY25e | 39,281 | 14.4 | 3,609 | 9.2 | 2,323 | 22.1 | 16.2 | 18.1 | 18.0 | 21.1 | 12.2 |
| FY26e | 45,415 | 15.6 | 4,377 | 9.6 | 3,023 | 30.1 | 21.0 | 18.5 | 17.6 | 16.2 | 9.4 |

Source: Company, SMIFS research estimates



Rating: **BUY** Upside/(Downside): **20.1%**

Current Price: **341** Target Price: **409**

| Earlier recommendation

| | |
|------------------------|-----|
| Previous Rating: | Buy |
| Previous Target Price: | 409 |

| Market data

| | |
|--------------------------|----------|
| Bloomberg: | GABR: IN |
| 52-week H/L (Rs): | 359/130 |
| Mcap (Rs bn/USD mn): | 49.0/0.6 |
| Shares outstanding (mn): | 143.6 |
| Free float: | 44.0% |
| Avg. daily vol. 3mth: | 1.1mn |
| Face Value (Rs): | 1.0 |

Source: Bloomberg, SMIFS research

| Shareholding pattern (%)

| | Sep-23 | Jun-23 | Mar-23 | Dec-22 |
|---------------|--------|--------|--------|--------|
| Promoter | 55.0 | 55.0 | 55.0 | 55.0 |
| FIIs | 3.0 | 2.7 | 2.9 | 2.6 |
| DIIIs | 11.7 | 10.9 | 11.1 | 11.2 |
| Public/others | 30.3 | 31.4 | 31.0 | 31.2 |

Source: BSE

| Promoters Pledging (%)

| | | | | |
|--------------------------|-----|-----|-----|-----|
| Promoters pledged shares | 0.0 | 0.0 | 0.0 | 0.0 |
|--------------------------|-----|-----|-----|-----|

Source: BSE

| Price performance (%)*

| | 1M | 3M | 12M | 36M |
|-----------|------|------|-------|-------|
| Nifty 50 | -1.5 | -0.8 | 6.5 | 62.8 |
| Nifty 500 | -1.5 | 1.4 | 10.0 | 75.3 |
| GABR | 3.3 | 51.5 | 118.9 | 268.3 |

*as on 03rd Nov, 2023; Source: AceEquity, SMIFS research

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Outperformance to sustain as key clients in ICE & EV gaining market share

- Gabriel has been outperforming auto industry growth since multi-quarters now driven by higher growth by its core customers, price increases & rebound in CV segment.
- **It's top clients include TVS ICE** (gained share in Q2 by +142bps YoY to 18.8%), **Maruti Suzuki** (+85bps YoY to 41.9%), and **M&M** (+145bps YoY to 9.4%) gained share YoY basis in Q2FY24.
- **Similarly, within 2W EVs, Ola Electric** (+2001bps YoY to 31.3%), **Ather Energy** (+305bps YoY to 11.6%), and **TVS EV** (+1316bps YoY to 22.9%) gained retail market share.
- **The company increased 2W EV market share from 73% in Q1FY24 to 81% in H1FY24.**
- **We believe the revenue outperformance to sustain in the coming years** as 1) Gabriel has been winning new orders from existing/new clients, 2) key OEMs have aggressive product launch plans, and 3) continued strong show in the CV & Railways industry.

Margin upward journey begins

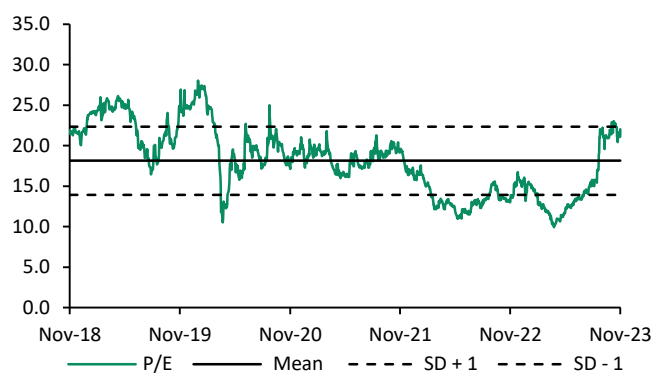
- Gabriel in the past eleven quarters (Q2FY21 to Q4FY23) clocked average EBITDA Margin of 6.9%, which inched-up to 8.5-8.6% level in the recent past two quarters.
- **The combination of** 1) high margin FSD tech in PVs, 2) growing % contribution from 2W EVs, 3) CORE90 program benefits, 4) expectation of getting compensation from PV OEMs, 5) winning new business in high margin SUVs, and 6) operating leverage benefits will keep improving its margin in the coming quarters/years ahead.
- **The management has a clear blueprint to take EBITDA Margin to double-digit level.**
- We believe 8.7% is doable in FY24e, and anticipated this to touch 9.6% in FY26e.

Sunroof is just a start, will add a few more products

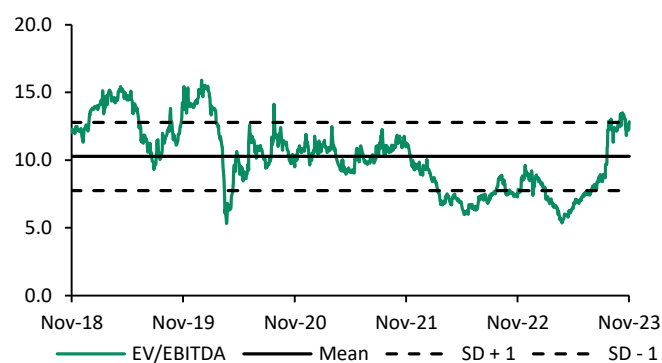
- Car Sunroof will add new wings to fly higher, will broadly add ~8/12% in PAT by FY26/FY27 respectively, as per our estimates. To start clocking double-digit margin from FY26e onwards.
- Commercial production to begin from Jan-2025, ramp-up will be faster. Expect a decent level of revenues to flow-in from the start of FY25 (Rs 4bn in FY25e, & will touch Rs 6.75bn in FY27e).
- In discussions with other OEMs for orders. **As the JV & technology partner is 2nd ranked globally, and Gabriel has strong customer relations, hence, it would not be tough for the company to get new business.**
- The demand potential is good (1.2mn units size FY24e), hence parallelly working on 2nd line of production at the same place.
- Finally, the company has opened-up, and plans to add new tech-agnostic products in the coming years. **We anticipate atleast two new products to flow in the coming 3-5 years. This will boost financial performance in the mid-to-long term.**

Outlook and valuations

- We are strongly convinced on the company's competitive position, its key clients gaining market share, new avenues of growth after entering into automotive sunroof, and boosted efforts in the aftermarket, exports & railways.
- Gabriel is well placed for the mid-to-long term growth opportunities as they plans to enter into a few new products, starting sunroofs. The company is debt free with cash & investments of Rs 1.87bn, and has always generated good positive cash flows in the past eleven years.
- The stock is trading at P/E of 18.3x Sept 2025 estimated EPS of Rs 18.6. Gabriel has strong growth prospects with healthy return profile, we have **assigned a multiple of 22x to its Sept 2025 estimated EPS to arrive at a target price of Rs 409 a piece.** Our estimates largely remain intact.
- The company has been trading at ~18x 1-year forward PE in the last five years, a ~20% premium (22x) is largely as Gabriel India has finally opened-up and plans to add new products, warrants a higher premium multiple vis-à-vis past.

Fig 1: 1-year forward P/E


Source: AceEquity, SMIFS research

Fig 2: 1-year forward EV/EBITDA


Source: AceEquity, SMIFS research

Fig 3: Change in Estimates

| Rs mn | New Estimates | | Old Estimates | | Change (%) | |
|-------------------|---------------|--------|---------------|--------|------------|-------|
| | FY24e | FY25e | FY24e | FY25e | FY24e | FY25e |
| Revenue | 34,332 | 39,281 | 34,332 | 39,281 | 0.0% | 0.0% |
| Gross profit | 8,652 | 9,997 | 8,652 | 9,997 | 0.0% | 0.0% |
| Gross margin (%) | 25.2 | 25.5 | 25.2 | 25.4 | (0) bps | 0 bps |
| EBITDA | 3,000 | 3,609 | 3,000 | 3,609 | 0.0% | 0.0% |
| EBITDA margin (%) | 8.7 | 9.2 | 8.7 | 9.2 | 0 bps | 0 bps |
| PAT | 1,903 | 2,323 | 1,893 | 2,318 | 0.5% | 0.2% |
| EPS (Rs) | 13 | 16 | 13 | 16 | 0.4% | 0.5% |

Source: Company, SMIFS research estimates

Q2FY24 – Key takeaways from the management call

Sunroof business

- The entire line is ready, sent product as sample for testing, and will start commercial production from January 2024, ramp up will be steep.
- Have plans to add 2nd line in the future at the same building, parallelly working on it. The lead time to setup a new line is 30 weeks.
- The focus now is on executing Hyundai orders, while Kia order to start in Jan 2025. In discussions with several Indian OEMs, received RFQs.
- EBITDA Margin in sunroof business is double-digit at good utilization level.

Two and three-wheelers

- On 3W EVs, Gabriel has good share with organized players like Bajaj Auto, M&M, etc. but on an overall basis, Gabriel's market share is 8% in it.
- The suspension order received from Gogoro is for Rs 200mn annually.
- Given 4k front forks for e-bikes. Gabriel is working on reducing the weight of the product.

Passenger vehicles

- Jimny production revised upwards as Suzuki is making India an export hub for this product.
- UV contribution is ~52% of the PV industry, and this will increase to 60-65% in India. Gabriel has a good order pipeline for UVs, working with VW, received one SUV order from Maruti, one model from Tata Motors. Overall, seeing good traction for Gabriel in the SUV segment.
- In EVs, Gabriel is not present with main players i.e. Tata Nexon and MG Motor. The company won a new order with Tata Motors model, which will also go in EV variant, but volume is small.
- Except tuning, there is not much difference in EV Shox. Investing further to make suspension as silent as possible.
- On FSD tech, Gabriel is in talks with two clients.

CVs & Railways

- The market share in commercial vehicles is high at 89%, and Gabriel is confident of sustaining the same for the next five years.
- Reason for such high share is due to competence of developing the product with keeping cost low, experience of understanding the CV market as it requires high variants, but volumes are low. In addition, Gabriel's service level is excellent and have good customer relationships.

Exports

- Revenue declined in Q2 as exports to Columbia was very low as they have stocked up earlier. The production should revive in Q3.
- RFQs received from DAF for axle dampers.

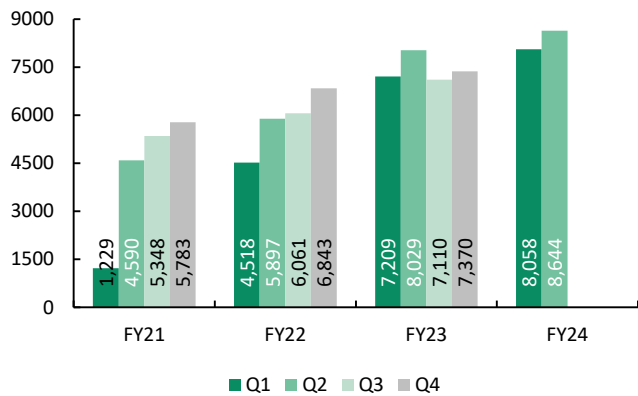
Margins

- QoQ gross margin declined due to mix as exports was little down.
- Employee cost was higher as little extra cost incurred owing to actuarial valuation plus some wage hike. Broadly, this run-rate will sustain at current volumes.
- The aim is to take EBITDA Margin in double-digit, and for this Core90 program, better mix (Aftermarket, Exports & Railways portion need to increase), and working on to improve PV Shox margins.
- PV Shox is a competitive market, Gabriel is pursuing OEMs for some compensation, and expect some improvement in this segment.

Other key highlights

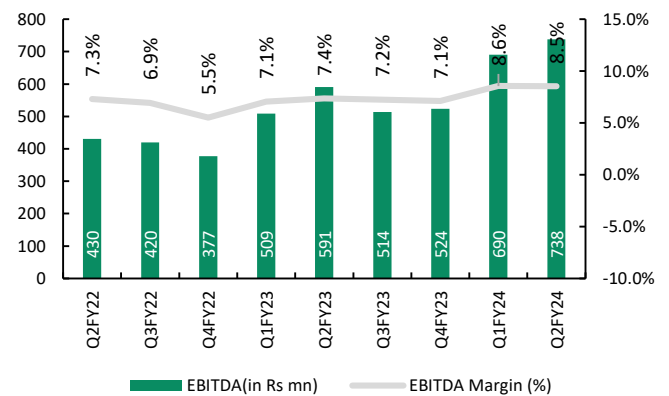
- Setup R&D centre in Belgium specially focused on PV shock absorbers & semi-active suspension. It's easy to get talent & knowledge over there plus customer reach.
- Gabriel to announce one new product in FY25.
- FY24 standalone capex will be Rs 1bn.
- Aftermarket reported 9% YoY growth in Q2FY24.

Fig 4: Highest quarterly revenue (Rs mn)



Source: Company, SMIFS research

Fig 5: Highest quarterly EBITDA; margin moving upwards



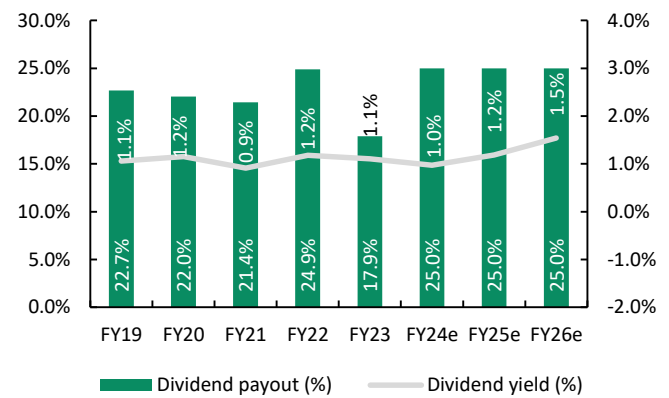
Source: Company, SMIFS research

Fig 6: Reported highest quarterly EPS



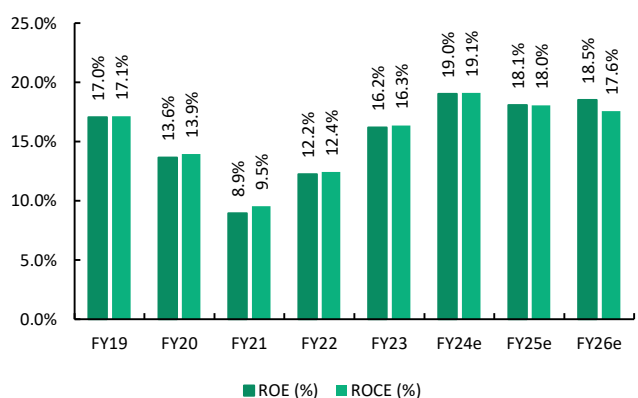
Source: Company, SMIFS research

Fig 7: Consistent dividend payout & yield (%)



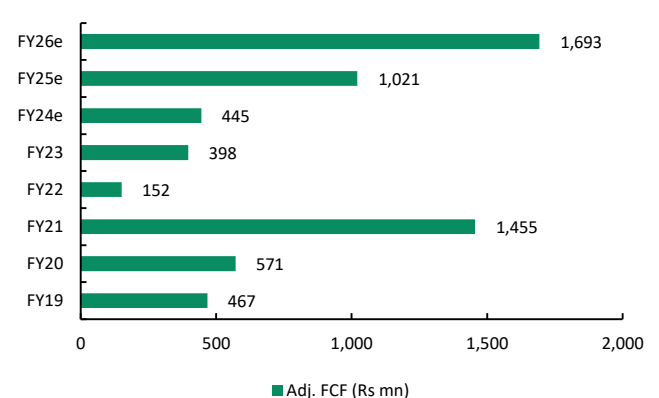
Source: Company, SMIFS research estimates

Fig 8: Healthy return ratios (%)



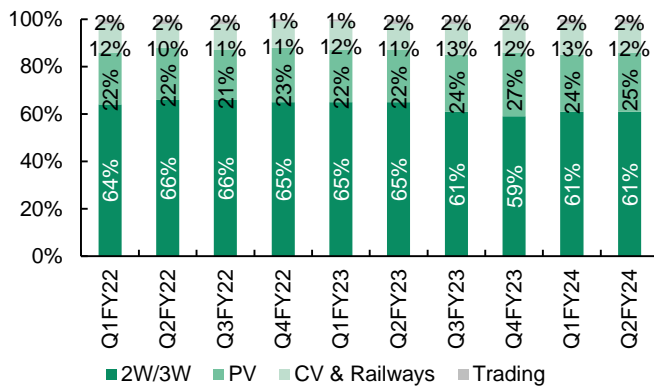
Source: Company, SMIFS research estimates

Fig 9: Consistently generating positive FCF (Rs mn)



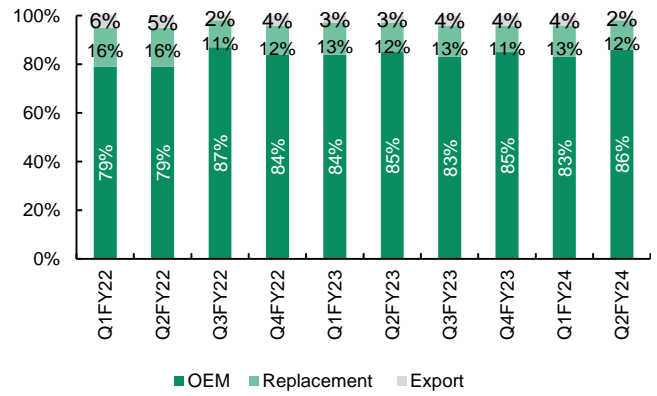
Source: Company, SMIFS research estimates

Fig 10: Quarterly Segment mix (%)



Source: Company, SMIFS research

Fig 11: Quarterly Channel mix (%)



Source: Company, SMIFS research

Quarterly financials, operating metrics & key performance indicators

Fig 12: Quarterly Financials

| Y/E March (Rs Mn) | Q3FY22 | Q4FY22 | Q1FY23 | Q2FY23 | Q3FY23 | Q4FY23 | Q1FY24 | Q2FY24 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Sales | 6,061 | 6,843 | 7,209 | 8,029 | 7,110 | 7,370 | 8,058 | 8,644 |
| Raw Materials | 4,654 | 5,334 | 5,517 | 6,182 | 5,377 | 5,612 | 6,026 | 6,507 |
| Employee Costs | 388 | 420 | 441 | 455 | 473 | 462 | 497 | 542 |
| Other Expenditure | 599 | 712 | 743 | 800 | 745 | 773 | 845 | 858 |
| EBITDA | 420 | 377 | 509 | 591 | 514 | 524 | 690 | 738 |
| Depreciation | 109 | 107 | 112 | 118 | 127 | 130 | 137 | 141 |
| Interest | 7 | 2 | 14 | 11 | 13 | 8 | 22 | 12 |
| Other Income | 65 | 108 | 61 | 29 | 18 | 65 | 46 | 46 |
| Exceptional Items | - | - | - | - | - | - | - | - |
| PBT | 369 | 377 | 445 | 492 | 392 | 450 | 577 | 630 |
| Tax | 112 | 108 | 116 | 127 | 101 | 112 | 152 | 161 |
| Tax rate (%) | 30 | 29 | 26 | 26 | 26 | 25 | 26 | 25 |
| Reported PAT | 257 | 269 | 329 | 366 | 291 | 338 | 425 | 470 |
| Adjusted PAT | 257 | 269 | 329 | 366 | 291 | 338 | 425 | 470 |
| YoY Growth (%) | | | | | | | | |
| Revenue | 13.3 | 18.3 | 59.6 | 36.1 | 17.3 | 7.7 | 11.8 | 7.7 |
| EBITDA | 11.9 | (19.5) | 119.3 | 37.4 | 22.3 | 38.8 | 35.7 | 24.8 |
| PAT | 4.4 | (6.7) | 174.3 | 46.7 | 13.4 | 25.4 | 29.1 | 28.4 |
| QoQ Growth (%) | | | | | | | | |
| Revenue | 2.8 | 12.9 | 5.3 | 11.4 | (11.4) | 3.7 | 9.3 | 7.3 |
| EBITDA | (2.3) | (10.2) | 34.8 | 16.2 | (13.1) | 1.9 | 31.8 | 6.9 |
| PAT | 3.1 | 4.8 | 22.3 | 11.1 | (20.4) | 15.9 | 25.9 | 10.5 |
| Margin (%) | | | | | | | | |
| RMC/revenue (%) | 76.8 | 77.9 | 76.5 | 77.0 | 75.6 | 76.2 | 74.8 | 75.3 |
| Gross margin (%) | 23.2 | 22.1 | 23.5 | 23.0 | 24.4 | 23.8 | 25.2 | 24.7 |
| Employee cost/revenue (%) | 6.4 | 6.1 | 6.1 | 5.7 | 6.7 | 6.3 | 6.2 | 6.3 |
| Other expenses/revenue (%) | 9.9 | 10.4 | 10.3 | 10.0 | 10.5 | 10.5 | 10.5 | 9.9 |
| EBITDA margin (%) | 6.9 | 5.5 | 7.1 | 7.4 | 7.2 | 7.1 | 8.6 | 8.5 |
| PAT margin (%) | 4.2 | 3.9 | 4.6 | 4.6 | 4.1 | 4.6 | 5.3 | 5.4 |

Source: Company, SMIFS research

FINANCIAL STATEMENTS

| Income Statement | | | | | |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| YE March (Rs mn) | FY22 | FY23 | FY24e | FY25e | FY26e |
| Revenues | 23,320 | 29,717 | 34,332 | 39,281 | 45,415 |
| Raw Materials | 17,863 | 22,688 | 25,680 | 29,284 | 33,743 |
| % of sales | 76.6 | 76.3 | 74.8 | 74.6 | 74.3 |
| Personnel | 1,597 | 1,831 | 2,081 | 2,342 | 2,662 |
| % of sales | 6.8 | 6.2 | 6.1 | 6.0 | 5.9 |
| Manufacturing & Other Expenses | 2,401 | 3,061 | 3,571 | 4,046 | 4,632 |
| % of sales | 10.3 | 10.3 | 10.4 | 10.3 | 10.2 |
| EBITDA | 1,459 | 2,137 | 3,000 | 3,609 | 4,377 |
| Other Income | 262 | 174 | 209 | 261 | 339 |
| Depreciation & Amortization | 414 | 486 | 601 | 714 | 826 |
| EBIT | 1,307 | 1,825 | 2,607 | 3,156 | 3,890 |
| Finance cost | 43 | 46 | 40 | 36 | 33 |
| Core PBT | 1,003 | 1,605 | 2,359 | 2,859 | 3,518 |
| Share of Profit from JV | - | - | - | 15 | 221 |
| PBT | 1,265 | 1,779 | 2,568 | 3,135 | 4,078 |
| Tax | 369 | 456 | 665 | 812 | 1,056 |
| Tax Rate (%) | 29.2 | 25.6 | 25.9 | 25.9 | 25.9 |
| Reported PAT | 895 | 1,324 | 1,903 | 2,323 | 3,023 |
| Adjusted PAT | 895 | 1,324 | 1,903 | 2,323 | 3,023 |

Source: Company, SMIFS research estimates, incorporated sunroof business from FY25e

| Key Ratios | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|
| YE March | FY22 | FY23 | FY24e | FY25e | FY26e |
| Growth Ratio (%) | | | | | |
| Revenue | 37.6 | 27.4 | 15.5 | 14.4 | 15.6 |
| EBITDA | 42.3 | 46.4 | 40.4 | 20.3 | 21.3 |
| PAT | 48.5 | 47.9 | 43.8 | 22.1 | 30.1 |
| Margin Ratios (%) | | | | | |
| Gross Margin | 23.4 | 23.7 | 25.2 | 25.5 | 25.7 |
| EBITDA Margin | 6.3 | 7.2 | 8.7 | 9.2 | 9.6 |
| EBIT Margin | 5.6 | 6.1 | 7.6 | 8.0 | 8.6 |
| Core PBT margin | 4.3 | 5.4 | 6.9 | 7.3 | 7.7 |
| Adjusted PAT Margin | 3.8 | 4.5 | 5.5 | 5.9 | 6.7 |
| Return Ratios (%) | | | | | |
| ROE | 12.2 | 16.2 | 19.0 | 18.1 | 18.5 |
| ROCE | 12.4 | 16.3 | 19.1 | 18.0 | 17.6 |
| Turnover Ratios (days) | | | | | |
| Gross block turnover ratio (x) | 4.0 | 4.5 | 4.3 | 4.0 | 4.0 |
| Adjusted OCF/PAT (in %) | 103 | 100 | 120 | 109 | 106 |
| Inventory | 42 | 35 | 35 | 35 | 35 |
| Debtors | 52 | 47 | 47 | 47 | 47 |
| Creditors | 89 | 74 | 74 | 74 | 74 |
| Cash Conversion Cycle | 5 | 8 | 8 | 8 | 8 |
| Solvency Ratio (x) | | | | | |
| Debt-equity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net debt-equity | (0.2) | (0.2) | (0.3) | (0.3) | (0.4) |
| Gross debt/EBITDA | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| Current Ratio | 1.7 | 1.8 | 1.8 | 2.1 | 2.4 |
| Interest coverage ratio | 31 | 40 | 66 | 87 | 119 |
| Dividend | | | | | |
| DPS | 1.6 | 1.7 | 3.3 | 4.0 | 5.3 |
| Dividend yield % | 1.2 | 1.1 | 1.0 | 1.2 | 1.5 |
| Dividend payout % | 24.9 | 17.9 | 25.0 | 25.0 | 25.0 |
| Per share Ratios (Rs) | | | | | |
| Basic EPS (reported) | 6.2 | 9.2 | 13.2 | 16.2 | 21.0 |
| Adjusted EPS | 6.2 | 9.2 | 13.2 | 16.2 | 21.0 |
| CEPS | 9.1 | 12.6 | 17.4 | 21.1 | 26.8 |
| BV | 53.4 | 60.6 | 78.8 | 100.3 | 126.9 |
| Valuation (x) | | | | | |
| P/E | 21.1 | 16.2 | 25.7 | 21.1 | 16.2 |
| P/BV | 2.5 | 2.5 | 4.3 | 3.4 | 2.7 |
| EV/EBITDA | 12.1 | 9.2 | 15.4 | 12.2 | 9.4 |
| EV/Sales | 0.8 | 0.7 | 1.3 | 1.1 | 0.9 |
| Adj Mcap/Core PBT | 17.4 | 12.2 | 19.5 | 15.3 | 11.7 |
| Adj Mcap/Adj OCF | 18.9 | 14.9 | 20.2 | 17.4 | 12.9 |

Source: Company, SMIFS research estimates

| Balance Sheet | | | | | |
|----------------------------------|--------------|--------------|---------------|---------------|---------------|
| YE March (Rs mn) | FY22 | FY23 | FY24e | FY25e | FY26e |
| Sources of funds | | | | | |
| Capital | 144 | 144 | 144 | 144 | 144 |
| Reserves & Surplus | 7,524 | 8,559 | 11,171 | 14,270 | 18,091 |
| Shareholder's Funds | 7,668 | 8,703 | 11,315 | 14,414 | 18,234 |
| Total Loan Funds | 129 | 112 | 102 | 92 | 82 |
| Other non-current liabilities | 292 | 291 | 131 | 131 | 131 |
| Total Liabilities | 8,089 | 9,105 | 11,548 | 14,637 | 18,447 |
| Application of funds | | | | | |
| Gross Block | 6,179 | 6,931 | 8,951 | 10,604 | 12,257 |
| Net Block | 3,854 | 4,203 | 5,622 | 6,561 | 7,387 |
| Capital WIP | 203 | 351 | 445 | 175 | 189 |
| Investments | 838 | 795 | 803 | 811 | 820 |
| Other Non-Current Assets | 394 | 291 | 291 | 291 | 291 |
| Inventories | 2,100 | 2,248 | 2,461 | 2,806 | 3,233 |
| Sundry Debtors | 3,824 | 3,837 | 4,425 | 5,063 | 5,854 |
| Cash and Bank balances | 546 | 1,075 | 2,139 | 4,296 | 6,940 |
| Other current Assets | 1,772 | 1,480 | 1,480 | 1,480 | 1,480 |
| Total Current Assets | 8,241 | 8,639 | 10,504 | 13,645 | 17,507 |
| Sundry Creditors | 4,762 | 4,405 | 5,188 | 5,916 | 6,817 |
| Other Current Liabilities | 680 | 771 | 930 | 930 | 930 |
| Total Current Liabilities | 5,442 | 5,175 | 6,118 | 6,846 | 7,747 |
| Net Current Assets | 2,799 | 3,464 | 4,387 | 6,799 | 9,760 |
| Total Assets | 8,089 | 9,105 | 11,548 | 14,637 | 18,447 |

Source: Company, SMIFS research estimates

| Cash Flow | | | | | |
|------------------------------------------------|--------------|----------------|----------------|----------------|----------------|
| YE March (Rs mn) | FY22 | FY23 | FY24e | FY25e | FY26e |
| Operating profit before WC changes | | | | | |
| Net chg in working capital | (296) | (424) | (17) | (255) | (317) |
| Income tax paid | (317) | (412) | (665) | (812) | (1,056) |
| Cash flow from operating activities (a) | 965 | 1,364 | 2,318 | 2,557 | 3,225 |
| Adjusted OCF | 922 | 1,318 | 2,278 | 2,521 | 3,193 |
| Capital expenditure | (770) | (920) | (1,833) | (1,500) | (1,500) |
| Adjusted free cash flow | 152 | 398 | 445 | 1,021 | 1,693 |
| Cash flow from investing activities (b) | (442) | (1,038) | (1,913) | (1,130) | (1,336) |
| Debt issuance (repayment) | (32) | (28) | (10) | (10) | (10) |
| Interest and lease expenses | (180) | (274) | (476) | (581) | (756) |
| Dividend paid | (28) | (35) | (40) | (36) | (33) |
| Cash flow from financing activities (c) | (241) | (337) | 659 | 730 | 755 |
| Net chg in cash (a+b+c) | 281 | (12) | 1,064 | 2,157 | 2,644 |

Source: Company, SMIFS research estimates

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