

Estimate change	↓
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Rating change	↔

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Bloomberg	VOLT IN
Equity Shares (m)	331
M.Cap.(INRb)/(USDb)	339.1 / 4.6
52-Week Range (INR)	1131 / 586
1, 6, 12 Rel. Per (%)	-3/-11/30
12M Avg Val (INR M)	1805

#### Financials & Valuations (INR b)

Y/E Mar	2021	2022E	2023E
Sales	75.6	82.5	101.0
EBITDA	6.4	7.1	9.1
PAT	5.3	5.7	7.3
EBITDA (%)	8.5	8.6	9.0
EPS (INR)	15.9	17.2	22.2
EPS Gr. (%)	(5.1)	8.5	29.0
BV/Sh. (INR)	150.9	163.9	180.5
<b>Ratios</b>			
Net D/E	(0.0)	(0.1)	(0.1)
RoE (%)	10.5	10.5	12.3
RoCE (%)	11.6	12.1	13.3
Payout (%)	25.9	25.0	25.0
<b>Valuations</b>			
P/E (x)	64.6	59.5	46.1
P/BV (x)	6.8	6.3	5.7
EV/EBITDA (x)	52.5	47.2	36.6
Div Yield (%)	0.4	0.4	0.5
FCF Yield (%)	1.7	1.5	1.3

#### Shareholding pattern (%)

As On	Jun-21	Mar-21	Jun-20
Promoter	30.3	30.3	30.3
DII	34.1	37.5	39.3
FII	17.2	14.4	10.7
Others	18.3	17.9	19.7

FII Includes depository receipts

**CMP: INR1,025**      **TP: INR1,065 (+4%)**      **Neutral**

#### Disappointing results; outlook remains cautious

##### Upcoming festive season key for RAC offtake

- Volta (VOLT) reported a weak set of earnings, with revenue/EBITDA miss of 9%/27%. The strong show in the Electromechanical Projects (EMP) segment failed to offset the weakness in the Unitary Cooling Products (UCP) segment.
- The ordering intake/outlook for the Projects business remained subdued with clients delaying their capex spends. AC sales volumes may fall short of FY20 levels, with no sign of pent-up demand this time around during a lean summer. However, this would still mean some growth in YoY terms. On a positive note, unlike last time, channel inventory is not high, although brands have higher inventory this time around.
- We cut our FY22/FY23/FY24 EPS estimate by 8%/3%/4%. Our new TP stands at INR1,065 as we roll forward to Sep'23 EPS (target multiple of 45x to the UCP segment v/s 50x earlier – to account for segmental reclassification). At CMP, the UCP business is trading at an FY23E/FY24E PE multiple of 46x/40x. Maintain Neutral.

##### Weak performance from UCP segment leads to earnings miss

- **1QFY22 snapshot:** Consolidated revenue grew 38% YoY and was 9% below our expectation. EBITDA doubled to INR1.4b and was 27% below our expectation. JV losses increased to INR306m v/s loss of INR117m last year. Adj. PAT grew 50% YoY to INR1.2b and was 15% below our expectation.
- **Segmental highlights:** Volta has reclassified its segments and moved its Commercial Air Conditioner (CAC) and Customer Care business from the EMP segment to the UCP segment. The said business reported PBIT of INR818m in FY21. On a reported basis: **a) EMP | 1QFY22:** Revenue grew 67% YoY to INR6.9b, and the PBIT margin came in at 4.4%; **b) UCP | 1QFY22:** Revenue grew 19% YoY to INR9.6b, and the PBIT margin stood at 12.3% (-170bps YoY). We note that the restated UCP segment PBIT has grown just 4% YoY, a reflection of weak topline growth despite a favorable base and margin compression.

##### Key takeaways from management commentary

- **UCP:** The management expects FY22 industry volume growth to be lower than FY20 levels. Volta has taken a price increase of 8–10% in the current calendar year and is yet to fully pass on the commodity price inflation to the end consumer. Inventory levels are normal with trade partners, but higher at the company level. The management does not anticipate any pent-up demand this time around during non-season, but hopes for a good festive season. Daikin, Hitachi, Samsung, and Lloyd have gained market share, while Samsung has seen minor moderation lately.
- **EMP:** Order inflow stood at INR5b during the quarter, while the order book at INR61.5b (Domestic: 60%; International: 40%). Order inflows were moderately subdued as clients delayed their capex plans as well as due to a cautious stance adopted by the company in taking new orders.

- **Voltbek:** Market share in Refrigerators stood at 3.1%, while that in Washing Machines stood at 2.7% on a YTD basis. Production at the Sanand factory exceeded the milestone of 0.5m since its opening, with cumulative sales since inception crossing 1m.

### Valuation and view

- With the summer season behind, Volta has limited room to surprise on earnings, especially given the strong base quarters. Not only has the AC category lagged behind other categories in terms of growth, but the price hikes have been inadequate thus far to offset the commodity price inflation. The demand elasticity impact owing to price hikes is yet to be ascertained in ACs, although we continue to believe a strong summer is a bigger driver of demand. Given the seasonality, the answers can be gauged only in the next summer season.
- We lower our FY22/FY23/FY24 EPS estimate by 8%/3%/4%. We roll forward to Sep'23 EPS, but lower our target PE multiple in the UCP segment to 45x, from 50x earlier, to account for a new classification. Our new TP stands at INR1,065. At CMP, the UCP business is trading at an FY23E/FY24E PE multiple of 46x/40x. Maintain Neutral.

Quarterly Performance (INR m)												
Y/E March	FY21				FY22E				FY21	FY22E	FY22	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		1QE	Vs Est	
<b>Sales</b>	<b>12,969</b>	<b>16,125</b>	<b>19,946</b>	<b>26,517</b>	<b>17,852</b>	<b>16,200</b>	<b>20,400</b>	<b>28,040</b>	<b>75,558</b>	<b>82,492</b>	<b>19,626</b>	<b>-9%</b>
Change (%)	-51.1	13.4	33.6	26.9	37.6	0.5	2.3	5.7	-1.3	9.2	51.3	
<b>EBITDA</b>	<b>668</b>	<b>980</b>	<b>1,459</b>	<b>3,307</b>	<b>1,358</b>	<b>1,043</b>	<b>1,442</b>	<b>3,252</b>	<b>6,414</b>	<b>7,094</b>	<b>1,864</b>	<b>-27%</b>
Change (%)	-77.1	-7.5	49.6	72.2	103.4	6.5	-1.2	-1.7	-6.6	10.6	179.3	
As of % Sales	5.1	6.1	7.3	12.5	7.6	6.4	7.1	11.6	8.5	8.6	9.5	
Depreciation	82	84	84	89	86	90	90	90	339	356	90	
Interest	67	58	32	104	35	50	50	65	262	200	50	
Other Income	674	383	516	316	750	500	550	550	1,889	2,350	400	
<b>PBT</b>	<b>1,192</b>	<b>1,221</b>	<b>1,859</b>	<b>3,430</b>	<b>1,986</b>	<b>1,403</b>	<b>1,852</b>	<b>3,647</b>	<b>7,702</b>	<b>8,888</b>	<b>2,124</b>	<b>-6%</b>
Tax	258	353	372	821	456	353	466	962	1,804	2,237	535	
Effective Tax Rate (%)	21.6	28.9	20.0	23.9	23.0	25.2	25.2	26.4	23.4	25.2	25.2	
Share of profit of associates/JV's	(123)	(84)	(208)	(232)	(312)	(210)	(210)	(223)	(646)	(955)	(160)	
<b>Reported PAT</b>	<b>812</b>	<b>784</b>	<b>1,279</b>	<b>2,377</b>	<b>1,218</b>	<b>840</b>	<b>1,176</b>	<b>2,462</b>	<b>5,251</b>	<b>5,696</b>	<b>1,430</b>	<b>-15%</b>
Change (%)	-50.9	-26.4	47.2	49.8	50.1	7.2	-8.1	3.6	1.5	8.5	76.2	
<b>Adj PAT</b>	<b>812</b>	<b>784</b>	<b>1,279</b>	<b>2,377</b>	<b>1,218</b>	<b>840</b>	<b>1,176</b>	<b>2,462</b>	<b>5,251</b>	<b>5,696</b>	<b>1,430</b>	<b>-15%</b>
Change (%)	-58.4	-29.2	47.2	48.0	50.1	7.2	-8.1	3.6	-5.1	8.5	76.2	

**Exhibit 1: Financial summary**

INR m	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Order Book</b>	<b>43,210</b>	<b>50,620</b>	<b>49,760</b>	<b>77,880</b>	<b>66,350</b>	<b>71,350</b>	<b>75,422</b>	<b>80,673</b>
YoY	10.4%	17.1%	-1.7%	56.5%	-14.8%	7.5%	5.7%	7.0%
<b>Order Inflows</b>	<b>30,620</b>	<b>35,862</b>	<b>35,331</b>	<b>60,581</b>	<b>17,256</b>	<b>35,000</b>	<b>38,500</b>	<b>44,275</b>
<b>Segmental Revenue</b>								
Electromechanical Projects	26,550	28,452	36,191	32,461	28,786	30,000	34,428	39,024
Engineering Products	3,318	3,099	3,117	3,317	3,595	4,500	4,500	4,500
Unitary Cooling Products	30,469	32,261	31,555	40,737	42,185	47,000	61,100	70,265
Others	613	466	378	66	992	992	992	992
<b>Total Revenue</b>	<b>60,950</b>	<b>64,279</b>	<b>71,241</b>	<b>76,581</b>	<b>75,558</b>	<b>82,492</b>	<b>1,01,020</b>	<b>1,14,781</b>
EMP (YoY)	-6.1%	7.2%	27.2%	-10.3%	-11.3%	4.2%	14.8%	13.3%
Engineering Products (YoY)	-10.5%	-6.6%	0.6%	6.4%	8.4%	25.2%	0.0%	0.0%
UCP (YoY)	20.9%	5.9%	-2.2%	29.1%	3.6%	11.4%	30.0%	15.0%
<b>Segmental PBIT</b>								
Electromechanical Projects	849	1,854	2,773	1,704	270	900	1,033	1,171
Engineering Products	956	992	1,051	993	1,143	1,440	1,440	1,440
Unitary Cooling Products	4,403	4,749	3,254	5,121	5,837	5,875	7,638	8,783
<b>Total PBIT</b>	<b>6,208</b>	<b>7,595</b>	<b>7,077</b>	<b>7,817</b>	<b>7,250</b>	<b>8,215</b>	<b>10,110</b>	<b>11,394</b>
<b>Segmental PBIT (%)</b>								
Electromechanical Projects	3.2	6.5	7.7	5.2	0.9	3.0	3.0	3.0
Engineering Products	28.8	32.0	33.7	29.9	31.8	32.0	32.0	32.0
Unitary Cooling Products	14.5	14.7	10.3	12.6	13.8	12.5	12.5	12.5
<b>Total PBIT</b>	<b>10.3</b>	<b>11.9</b>	<b>9.9</b>	<b>10.2</b>	<b>9.6</b>	<b>10.0</b>	<b>10.0</b>	<b>9.9</b>
EPS (INR/share)	15.6	17.3	15.7	16.7	15.9	17.2	22.2	25.9
NWC (Days)	35.5	42.0	66.3	67.0	64.4	64.4	64.4	64.4
<b>EPS Composition (INR/share)</b>	<b>15.6</b>	<b>17.3</b>	<b>15.7</b>	<b>16.7</b>	<b>15.9</b>	<b>17.2</b>	<b>22.2</b>	<b>25.9</b>
Electromechanical Projects	2.5	3.6	6.8	4.3	0.7	2.5	2.7	3.1
Engineering Products	2.2	2.2	2.4	2.2	2.6	3.3	3.3	3.3
Unitary Cooling Products	11.5	11.4	8.1	12.4	14.3	14.3	18.2	20.8
Voltas Beko JV	-0.6	0.1	-1.6	-2.1	-1.8	-2.8	-1.9	-1.3

Source: MOFSL, Company

**Exhibit 2: We value VOLT at INR1,065/share**

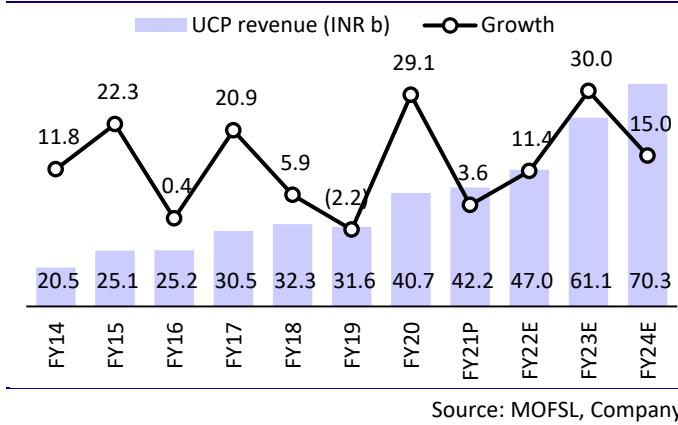
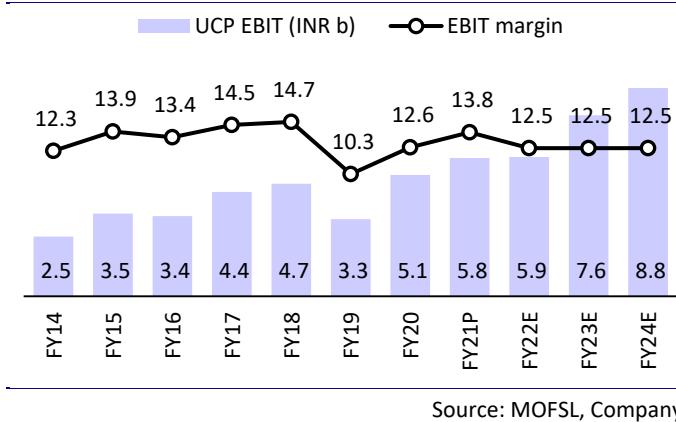
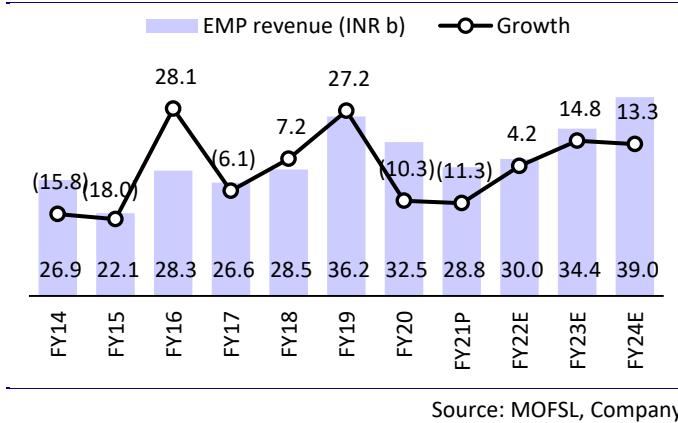
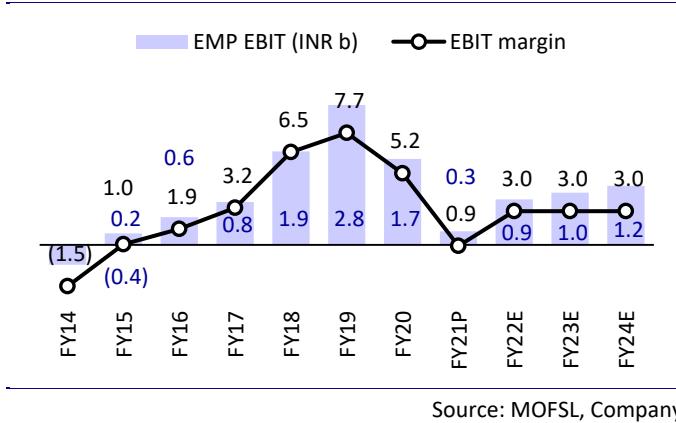
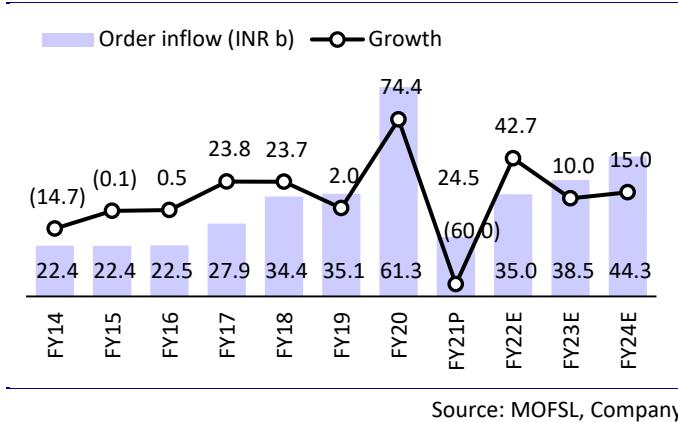
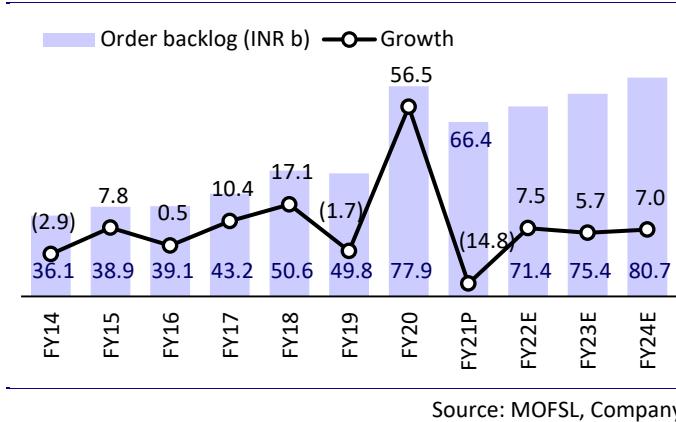
Name of the segment	Sep'23E EPS (INR)	Multiple (x)	Value/share (INR)
Unitary Cooling Products	19.5	45.0	878
Engineered Products Services	3.3	15.0	49
Electromechanical Products (incl. non-allocable)	2.9	12.0	34
Beko JV	(1.6)	DCF	105
<b>Total</b>	<b>24.0</b>		<b>1,065</b>

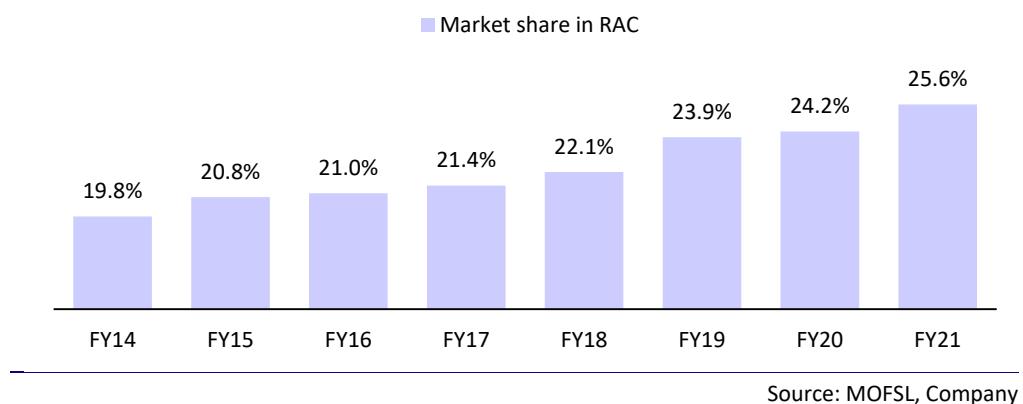
Source: MOFSL, Company

**Exhibit 3: Impact of restatement of CAC business**

(INR m)	Before restatement		Post restatement		Residual (CAC business)		FY21		
	1QFY21	4QFY21	1QFY21	4QFY21	1QFY21	4QFY21	Before	After	Residual
<b>Revenue</b>									
EMP	5,181	11,038	4,118	8,755	-1,063	-2,284	35,664	28,786	-6,878
UCP	7,071	14,367	8,113	16,547	1,042	2,180	35,550	42,185	6,634
<b>PBIT</b>									
EMP	-393	929	-437	566	-44	-363	1,088	270	-818
UCP	1,096	2,247	1,140	2,610	44	363	5,019	5,837	818
<b>PBIT (%)</b>									
EMP	-7.6	8.4	-10.6	6.5	4.1	15.9	3.0	0.9	11.9
UCP	15.5	15.6	14.0	15.8	4.2	16.6	14.1	13.8	12.3

Source: MOFSL, Company

**Exhibit 4: Expect ~19% revenue CAGR in UCP over FY21–24****Exhibit 5: Margins to moderate over FY22–24E on rising competitive intensity and commodity cost inflation****Exhibit 6: Expect ~11% revenue CAGR in EMP over FY21–24E on moderate order book****Exhibit 7: Margins to stabilize over FY22–FY24E with execution of recent order wins****Exhibit 8: Order inflows should scale up to ~INR35b in FY22E since plunging in FY21****Exhibit 9: Order book to grow moderately over FY22–24E as management focuses on execution**

**Exhibit 10: VOLT steadily increases market share in Room AC segment**

Source: MOFSL, Company

**Highlights from management commentary****Unitary Cooling Products**

- Invertor AC sales growth stood at 18% in 1QFY22. Overall, in RAC, market share stood at 26.7% at June-end.
- **VOLT has restructured the CAC and Customer Care business from EMP to UCP.** With this restructuring, all products sales would now be reported under the UCP segment.
- The company has taken an 8–10% price increase in 1HCY21. The commodity price inflation has not been entirely passed on to the consumer. Higher inventory at the company level may turn out to be a blessing in disguise if commodity prices continue to rise. Depending on the demand situation and competitive intensity, the management would take a call on further price hikes.
- Inventory at the trade level is normal, but moderately higher at the company level. Although, most of the company-level inventory is in the form of raw materials.
- The BEE rating change has been deferred to Jan'22 from the earlier timeline of Jan'21. With the current pandemic situation continuing to be disruptive, manufacturers have requested to postpone the rating change to a later date. The cost increase due to the rating change would be only 3–4% (on the cost base).
- The RAC industry de-grew 30% by volume in FY21. **VOLT expects some growth in FY22 (v/s FY21), but meeting FY20 levels may be challenging.**
- **As per the management, there are concerns in the market over a potential third COVID wave; hence, demand may not be as strong as last year.**
- **Daikin, Hitachi, and Lloyd have gained market share. Samsung was gaining earlier, but has seen marginal moderation lately.**
- **In Jun'21, industry growth has been down 1–2% YoY in volume terms.**

**Electromechanical Projects and Services**

- Construction activity was allowed in 1QFY22, leading to better execution.
- The order book stood at INR61.5b (Domestic: INR37b, International: INR24.5b).
- Order inflows were moderately subdued as capex plans were delayed. New ordering is also subdued, with VOLT being extra cautious in taking orders.

**Voltbek**

- The Sanand factory has produced more than 500k units since its inception.
- YTD market share in Refrigerators stood at 3.1%, while that in Washing Machines stood at 2.7%.

**Other takeaways**

- VOLT aims to continue to focus on strong cash flow management and maintain control over the working capital cycle.

**Valuation and view**

- **Market leadership in AC segment:** VOLT has consistently maintained its market leadership in the RAC market despite the rising competitive intensity. Over Jan–Feb'20, it emerged as the market leader in inverter ACs as well. With a strong distribution network and lower reliance on imports, we expect the company to continue its leadership position in the RAC market.
- **Voltbek offers a meaningful increase in addressable market size:** VOLT's decision to form a JV with Beko to cater to a wider audience in the Consumer Durables space (beyond ACs) has come at the right time. We ascribe INR105/share as an attributable valuation to the stock.
- **Maintain Neutral:** We cut our FY22/FY23/FY24 EPS estimate by 8%/3%/4%. Our new TP stands at INR1,065 as we roll forward to Sep'23 EPS (target multiple of 45x to the UCP segment v/s 50x earlier – to account for segmental reclassification, as Voltas has moved INR6.6b sales for CACs as well as sales service to the UCP segment from the EMP segment). At CMP, the UCP business is trading at an FY23E/FY24E PE multiple of 46x/40x. Maintain Neutral.

**Exhibit 11: Earnings change summary**

Earnings change INR m	Old			New			Change		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	84,749	1,03,006	1,16,784	82,492	1,01,020	1,14,781	-3%	-2%	-2%
EBITDA	7,743	9,316	10,720	7,094	9,104	10,498	-8%	-2%	-2%
EBITDA margin	9.1%	9.0%	9.2%	8.6%	9.0%	9.1%	-0.5%	0.0%	0.0%
Adj. PAT	6,219	7,570	8,951	5,696	7,346	8,552	-8%	-3%	-4%

Source: MOFSL, Company

## Financials and valuations

Income Statement							(INR m)
Y/E March	FY18	FY19	FY20	FY21P	FY22E	FY23E	FY24E
<b>Total Revenue</b>	<b>64,044</b>	<b>71,241</b>	<b>76,581</b>	<b>75,558</b>	<b>82,492</b>	<b>1,01,020</b>	<b>1,14,781</b>
Change (%)	6.2	11.2	7.5	-1.3	9.2	22.5	13.6
<b>EBITDA</b>	<b>6,626</b>	<b>6,117</b>	<b>6,867</b>	<b>6,414</b>	<b>7,094</b>	<b>9,104</b>	<b>10,498</b>
% of Total Revenue	10.3	8.6	9.0	8.5	8.6	9.0	9.1
Other income	1,741	1,863	2,306	1,889	2,350	2,200	2,200
Depreciation	244	240	320	339	356	401	446
Interest	119	330	211	262	200	200	200
Exceptional items	6	-118	-364	0	0	0	0
<b>PBT</b>	<b>8,011</b>	<b>7,292</b>	<b>8,278</b>	<b>7,702</b>	<b>8,888</b>	<b>10,703</b>	<b>12,052</b>
Tax	2,270	1,635	2,380	1,804	2,237	2,694	3,034
Rate (%)	28.3	22.4	28.8	23.4	25.2	25.2	25.2
<b>Reported PAT</b>	<b>5,724</b>	<b>5,079</b>	<b>5,172</b>	<b>5,251</b>	<b>5,696</b>	<b>7,346</b>	<b>8,552</b>
Change (%)	10.6	-11.3	1.8	1.5	8.5	29.0	16.4
<b>Adjusted PAT</b>	<b>5,718</b>	<b>5,197</b>	<b>5,536</b>	<b>5,251</b>	<b>5,696</b>	<b>7,346</b>	<b>8,552</b>
Change (%)	10.7	-9.1	6.5	-5.1	8.5	29.0	16.4
Balance Sheet							(INR m)
Y/E March	FY18	FY19	FY20	FY21P	FY22E	FY23E	FY24E
Share Capital	331	331	331	331	331	331	331
Reserves	38,721	40,769	42,471	49,603	53,875	59,384	65,798
<b>Net Worth</b>	<b>39,052</b>	<b>41,100</b>	<b>42,802</b>	<b>49,934</b>	<b>54,205</b>	<b>59,715</b>	<b>66,129</b>
Minority interest	317	348	365	361	398	434	471
Loans	1,423	3,147	2,179	2,606	2,106	1,606	1,106
Deferred Tax Liability	-46	-993	-715	-558	-558	-558	-558
<b>Capital Employed</b>	<b>40,746</b>	<b>43,601</b>	<b>44,631</b>	<b>52,343</b>	<b>56,151</b>	<b>61,197</b>	<b>67,148</b>
Gross Fixed Assets	5,187	5,591	6,201	6,616	7,616	8,616	9,616
Less: Depreciation	3,013	2,959	3,195	3,534	3,890	4,291	4,737
<b>Net Fixed Assets</b>	<b>2,174</b>	<b>2,633</b>	<b>3,006</b>	<b>3,082</b>	<b>3,726</b>	<b>4,325</b>	<b>4,879</b>
Capital WIP	41	157	263	88	88	88	88
Investments	27,536	23,859	23,433	30,464	30,546	30,919	31,489
Goodwill	798	798	798	798	798	798	798
<b>Curr. Assets</b>	<b>42,370</b>	<b>46,715</b>	<b>53,332</b>	<b>51,565</b>	<b>57,737</b>	<b>70,063</b>	<b>81,019</b>
Inventory	8,130	10,907	14,689	12,796	13,970	17,108	19,439
Debtors	15,703	18,330	18,336	18,009	19,662	24,078	27,358
Cash and Bank Balance	2,837	3,211	3,084	4,588	6,448	7,255	9,655
Loans and Advances	1,218	116	23	23	25	31	35
Other Assets	14,482	14,151	17,200	16,149	17,631	21,591	24,532
<b>Current Liab. and Prov.</b>	<b>32,172</b>	<b>30,560</b>	<b>36,201</b>	<b>33,654</b>	<b>36,743</b>	<b>44,995</b>	<b>51,125</b>
Current Liabilities	21,765	23,745	26,889	24,645	26,907	32,951	37,439
Other Liabilities and provisions	10,408	6,815	9,312	9,009	9,836	12,045	13,686
<b>Net Current Assets</b>	<b>10,198</b>	<b>16,155</b>	<b>17,131</b>	<b>17,911</b>	<b>20,994</b>	<b>25,067</b>	<b>29,894</b>
<b>Application of Funds</b>	<b>40,746</b>	<b>43,601</b>	<b>44,631</b>	<b>52,343</b>	<b>56,151</b>	<b>61,197</b>	<b>67,148</b>

## Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21P	FY22E	FY23E	FY24E
<b>Basic (INR)</b>							
<b>Adj. EPS</b>	<b>17.3</b>	<b>15.7</b>	<b>16.7</b>	<b>15.9</b>	<b>17.2</b>	<b>22.2</b>	<b>25.9</b>
Cash EPS	18.0	16.4	17.7	16.9	18.3	23.4	27.2
Book Value	118.0	124.2	129.4	150.9	163.9	180.5	199.9
DPS	4.0	4.0	4.1	4.1	4.3	5.6	6.5
Payout (incl. Div. Tax.)	26.8	31.0	31.5	25.9	25.0	25.0	25.0
<b>Valuation (x)</b>							
P/E	59.3	65.2	61.2	64.6	59.5	46.1	39.6
Cash P/E	56.9	62.4	57.9	60.6	56.0	43.8	37.7
EV/EBITDA	51.0	55.4	49.2	52.5	47.2	36.6	31.5
EV/Sales	5.3	4.8	4.4	4.5	4.1	3.3	2.9
Price/Book Value	8.7	8.2	7.9	6.8	6.3	5.7	5.1
Dividend Yield (%)	0.4	0.4	0.4	0.4	0.4	0.5	0.6
<b>Profitability Ratios (%)</b>							
RoE	14.6	12.6	12.9	10.5	10.5	12.3	12.9
RoCE	14.3	13.8	14.1	11.6	12.1	13.3	13.7
RoIC	50.0	27.8	25.8	26.9	26.4	28.3	29.0
<b>Turnover Ratios</b>							
Debtors (Days)	89	94	87	87	87	87	87
Inventory (Days)	46	56	70	62	62	62	62
Creditors (Days)	124	122	128	119	119	119	119
Asset Turnover (x)	1.6	1.6	1.7	1.4	1.5	1.7	1.7
<b>Leverage Ratio</b>							
Net Debt/Equity (x)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)

### Cash Flow Statement

Y/E March	FY18	FY19	FY20	FY21P	FY22E	FY23E	FY24E
<b>PBT before EO Items</b>							
<b>PBT before EO Items</b>	<b>8,005</b>	<b>6,774</b>	<b>7,591</b>	<b>7,735</b>	<b>8,888</b>	<b>10,703</b>	<b>12,052</b>
Depreciation	268	240	320	339	356	401	446
Interest and other	0	330	211	262	200	200	200
Direct Taxes Paid	-2,270	-2,708	-2,061	-693	-2,237	-2,694	-3,034
(Inc.)/Dec. in WC	-1,495	-6,456	-911	-1,580	-1,223	-3,267	-2,426
<b>CF from Operations</b>	<b>4,508</b>	<b>-1,807</b>	<b>5,223</b>	<b>6,070</b>	<b>5,984</b>	<b>5,343</b>	<b>7,238</b>
(Inc.)/Dec. in FA	-252	-818	-905	-208	-1,000	-1,000	-1,000
<b>Free Cash Flow</b>	<b>4,257</b>	<b>-2,625</b>	<b>4,318</b>	<b>5,862</b>	<b>4,984</b>	<b>4,343</b>	<b>6,238</b>
(Pur.)/Sale of Investments	-4,857	3,181	-1,549	-3,158	-1,000	-1,000	-1,000
<b>CF from Investments</b>	<b>-5,109</b>	<b>2,364</b>	<b>-2,454</b>	<b>-3,366</b>	<b>-2,000</b>	<b>-2,000</b>	<b>-2,000</b>
(Inc.)/Dec. in Debt	1,666	1,724	-1,057	425	-500	-500	-500
Interest Paid	0	-329	-212	-267	-200	-200	-200
Dividend Paid	-1,534	-1,577	-1,627	-1,358	-1,424	-1,837	-2,138
<b>CF from Fin. Activity</b>	<b>132</b>	<b>-183</b>	<b>-2,896</b>	<b>-1,200</b>	<b>-2,124</b>	<b>-2,537</b>	<b>-2,838</b>
<b>Inc./Dec. in Cash</b>	<b>-469</b>	<b>374</b>	<b>-127</b>	<b>1,504</b>	<b>1,860</b>	<b>806</b>	<b>2,400</b>
Add: Beginning Balance	3,305	2,837	3,211	3,084	4,588	6,449	7,255
<b>Closing Balance</b>	<b>2,837</b>	<b>3,211</b>	<b>3,084</b>	<b>4,588</b>	<b>6,449</b>	<b>7,255</b>	<b>9,656</b>

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

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