30 July 2026

1QFY27 Results Update | Sector: Automobiles

Craftsman Automation

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	CRAFTSMA IN
Equity Shares (m)	26
M.Cap.(INRb)/(USDb)	262.7 / 2.7
52-Week Range (INR)	10181 / 6252
1, 6, 12 Rel. Per (%)	4/41/49
12M Avg Val (INR M)	646

Consol. Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	80.7	99.9	117.6
EBITDA	12.4	16.2	19.6
Adj. PAT	3.9	6.6	9.1
EPS (INR)	164.8	250.7	346.4
EPS Gr. (%)	78.9	52.1	38.2
BV/Sh. (INR)	1,368	2,251	2,580
Ratios			
RoE (%)	12.9	14.3	14.3
RoCE (%)	10.1	11.6	12.2
Payout (%)	6.8	4.8	4.9
Valuations			
P/E (x)	61.0	40.1	29.0
P/BV (x)	7.3	4.5	3.9
Div. Yield (%)	0.1	0.1	0.2
FCF Yield (%)	-4.0	-2.9	-1.4

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	42.4	48.7	48.7
DII	32.9	28.3	22.7
FII	17.3	15.2	15.8
Others	7.4	7.8	12.8

FII includes depository receipts

CMP: INR10,045 TP: INR9,699 (-3%) Neutral

Stellar quarterly performance with an all-round beat

Aluminum segment to remain the key growth driver

- Craftsman Automation (Craftsman)'s 1QFY27 consol. adj. PAT of INR1.5b was ahead of our estimates, having nearly doubled YoY on account of strong performance across segments. EBITDA also came in higher than expectations at INR3.8b, while margins expanded 90bps YoY to 15.8%. Its EBITDA margin improved YoY amid a rising input cost environment; this improvement came as a key surprise to us in 1QFY27.
- The aluminum business is likely to be a key growth driver going forward on the back of a ramp-up of its alloy wheel facilities at Bhiwadi and Hosur, steady order visibility from both domestic and export customers, and the benefits of the restructuring of Sunbeam to be visible from FY27E. Management has indicated that while the Aluminum segment can grow at high teens going forward, the powertrain and Industrial engineering segments can grow at a high single-digit rate. Fueled by a strong outperformance in 1Q, we raise our EPS estimates by 8%/3% for FY27/ FY28. However, after the recent run-up in the stock, most of the positives appear factored in at **40.1x FY27E and at 29x FY28E**. **Hence, we reiterate our Neutral rating with a TP of INR9,699 (valued at 28x FY28E EPS).**

Strong earnings beat, fueled by outperformance across segments

- Consolidated revenue grew 36.3% YoY/9.2% QoQ to INR24.3b, beating our estimate of INR21.2b. Even on a standalone basis, revenue beat our estimates. Key to note is that revenue grew even on a QoQ basis in 1Q.
- Gross margins were down 170bp YoY/100bp QoQ at 44.5%.
- EBITDA also beat our estimates, growing ~45% YoY to INR3.8b. Margins came in at 15.8%, above our estimate of 14.9%.
- Segmental performance:
- **Powertrain:** Revenue at INR6.2b rose 25.4% YoY, beating our est. of INR5.5b. EBIT margin at 18.3% was up 310bp, well above our est. of 15.5%.
- **Aluminum:** Revenue at INR14.8b was up 38.1% YoY (above our est. of INR13.2b). EBIT margin at 10.1% was flat YoY (above our est. of 9.5%).
- **Industrial:** Revenue at INR3.3b was up 52.4% YoY, beating our estimate of INR2.5b. EBIT margin at 9% was up 600bp YoY, above our est. of 3%.
- Margins across segments have held up well despite rising input cost pressure and have been a key positive surprise in 1QFY27.
- Consequently, PAT came in far ahead of our estimates and doubled YoY to INR1.5b.

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Key highlights from the management commentary

- The company remains constructive on the medium-to-long-term outlook, highlighting that India has entered a structural manufacturing capex cycle led by OEMs as well as Tier-1 and Tier-2 suppliers, creating significant growth opportunities for component manufacturers.
- Aluminum remains the company's fastest-growing business and is expected to continue outperforming the other segments in both absolute and percentage growth over the coming quarters.
- Sunbeam's restructuring is mostly complete and is expected to be concluded by Dec’26. The company expects sequential improvement in profitability from Q2 onwards, targeting mid-teen EBITDA margins by 4QFY27.
- The industrial business is witnessing sustained demand across material handling systems and storage solutions, supported by the domestic industrial capex cycle. Management expects the improved profitability in this segment to be sustainable.
- On a consolidated basis, management indicated a conservative FY27 capex guidance of around INR15b, while leaving room for upward revision should business momentum remain strong during 2Q and 3Q.

Valuation and view

The aluminum business is likely to be a key growth driver going forward on the back of a ramp-up of its alloy wheel facilities at Bhiwadi and Hosur, steady order visibility from both domestic and export customers, and the benefits of the restructuring of Sunbeam to be visible from FY27E. Management has indicated that while the Aluminum segment can grow at high-teens going forward, the powertrain and Industrial engineering segments can grow at a high single-digit rate. Fueled by a strong outperformance in 1Q, we raise our EPS estimates by 8%/3% for FY27/FY28. However, after the recent run-up in the stock, most of the positives appear factored in at **40.1x FY27E and at 29x FY28E**. **We reiterate our Neutral rating with a TP of INR9,699 (valued at 28x FY28E EPS).**

Quarterly (Consol) **(INR m)**

	FY26				FY27E				FY26	FY27E	FY27E	Variance
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net operating income	**17,840**	**20,016**	**20,573**	**22,264**	**24,316**	**24,699**	**25,192**	**25,683**	**80,693**	**99,890**	**21,170**	**14.9**
Change (%)	55.0	64.9	30.5	27.3	36.3	23.4	22.5	15.4	41.8	23.8	18.7	
RM/Sales (%)	53.9	54.7	55.0	54.6	55.5	54.9	54.9	53.9	54.6	54.8	55.2	30bp
Staff Cost (% of Sales)	8.1	7.2	7.3	6.7	6.8	6.9	7.1	7.2	7.3	7.0	7.4	-60bp
Other Exp. (% of Sales)	23.2	23.0	22.6	22.6	21.9	21.9	21.8	22.4	22.8	22.0	22.5	-60bp
EBITDA	**2,649**	**3,019**	**3,122**	**3,585**	**3,839**	**4,020**	**4,094**	**4,230**	**12,376**	**16,182**	**3,147**	**22.0**
EBITDA Margins (%)	14.9	15.1	15.2	16.1	15.8	16.3	16.3	16.5	15.3	16.2	14.9	90bp
Change (%)	34.3	56.6	56.9	47.2	44.9	33.2	31.1	18.0	185.1	205.7	18.8	
Non-Operating Income	50	96	277	191	231	280	400	316	614	1227	60	
Interest	663	770	794	863	862	850	840	847	3090	3399	750	
Depreciation	1019	1090	1149	1181	1204	1275	1330	1371	4439	5180	1200	
Minority Int/Share of Profit	-2	-4	-3	-3	-6	-5	-5	-6	-11	-22	-3	
PBT after EO items	**937**	**1,253**	**1,422**	**1,730**	**2,010**	**2,180**	**2,329**	**2,334**	**5,343**	**8,853**	**1,260**	**59.5**
Eff. Tax Rate (%)	25.7	27.5	24.7	32.7	25.1	25.4	25.9	27.1	28.1	25.9	25.4	
Rep. PAT	**696**	**909**	**1,071**	**1,164**	**1,506**	**1,625**	**1,724**	**1,702**	**3,840**	**6,557**	**940**	**60.2**
Change (%)	30.9	47.3	728.4	74.4	116.3	78.9	61.0	46.2	69.7	70.8	35.0	
Adj. PAT	**755**	**912**	**1,098**	**1,168**	**1,506**	**1,625**	**1,724**	**1,702**	**3,933**	**6,557**	**940**	**60.2**
Change (%)	42.0	47.9	352.8	55.8	99.4	78.2	57.1	45.7	73.8	66.7	24.4	

E: MOFSL Estimates

Key Performance Indicators (INR m)

Segment Revenues	FY26E 1Q	FY26E 2Q	FY26E 3Q	FY26E 4Q	FY27E 1Q	FY27E 2QE	FY27E 3QE	FY27E 4QE	FY26	FY27E	FY27E 1QE	VAU (%)
Auto Powertrain	4,964	5,380	5,366	6,079	6,226	6,276	6,378	6,578	18,374	20,848	5,518	**12.8**
Growth (%)	19.2	24.8	17.3	20.0	25.4	16.7	18.9	8.2	9.2	13.5	11.2	
PBIT Margin (%)	15.2	14.6	16.8	19.2	18.3	18.5	18.2	19.0	18.6	22.5	15.5	280bp
Aluminum Products	10,713	12,041	12,034	13,101	14,793	14,997	15,291	15,568	18,007	25,510	13,187	**12.2**
Growth (%)	102.8	106.6	31.3	30.3	38.1	24.6	27.1	18.8	55.3	41.7	23.1	
PBIT Margin (%)	10.1	11.7	9.2	10.2	10.1	10.4	10.0	10.7	13.4	11.2	9.5	60bp
Industrial	2,163	2,596	3,174	3,084	3,297	3,426	3,523	3,537	11,799	14,405	2,466	**33.7**
Growth (%)	4.7	29.7	56.9	30.0	52.4	32.0	11.0	14.7	17.3	22.1	14.0	
PBIT Margin (%)	2.2	1.4	6.7	6.1	9.0	9.0	8.5	9.5	3.9	8.0	3.0	600bp
Total Product sales	**17,840**	**20,016**	**20,573**	**22,264**	**24,316**	**24,699**	**25,192**	**25,683**	**64,463**	**79,813**	**21,170**	**14.9**

Highlights from the management commentary

Update on the overall business and outlook

- The company remains constructive on the medium-to-long-term outlook, highlighting that India has entered a structural manufacturing capex cycle led by OEMs as well as Tier-1 and Tier-2 suppliers, creating significant growth opportunities for component manufacturers.
- Customer enquiries remain healthy across businesses, prompting the company to continue investing ahead of demand while retaining flexibility in execution amid global macro uncertainties.
- Capacity utilization remains healthy, with the aluminum business operating at over 80% utilization and the powertrain segment averaging around 70%, providing scope for incremental operating leverage as volumes improve.
- The industrial business is witnessing sustained demand across material handling systems and storage solutions, supported by the domestic industrial capex cycle. Management expects the improved profitability in this segment to be sustainable rather than a one-off quarterly spike.
- Raw material cost increases, particularly aluminum prices, are likely to remain pass-through in nature. While timing varies across customers, management expects all customers to eventually align pricing with higher input costs.
- Sunbeam's restructuring is mostly complete and is expected to be concluded by Dec’26. The company expects sequential improvement in profitability from Q2 onwards, targeting mid-teen EBITDA margins by Q4FY27.
- The exit from low-margin legacy businesses at Sunbeam is being offset through replacement orders and business transfers from Craftsman, resulting in improved value addition, operating leverage and profitability despite a 10-20% decline in revenue.

Update on powertrain business

- The conventional powertrain business has returned to normal operating levels after a softer phase, with management expecting current demand trends to continue.
- The heavy horsepower (stationary engine) program remains firmly on track, with the company reiterating its target of USD100m revenue by FY30. The initial opportunity has already been secured through orders from five global customers, while discussions with a sixth customer are in the final stages.

- Pilot supplies of machining have commenced for two customers, with validation of castings currently underway. Revenue contribution is expected to begin from FY28, while the business is expected to achieve its full revenue potential during FY30.
- Craftsman highlighted that the biggest hurdle, i.e., customer qualification and supplier approval, is now behind after nearly four years of joint development, notably reducing development timelines for incremental programs.
- Future orders from existing customers are expected to move from development to production within around two years, compared with nearly four years for the initial programs, improving the pace of order execution from here on.
- Management is witnessing increasing enquiries for additional product lines from existing customers, which could create revenue opportunities beyond the initial USD100m target from FY31 onwards.
- Current production is largely focused on general engineering castings, with automotive-related heavy horsepower programs expected to ramp up gradually over the next few quarters as capacity utilization improves.
- Development costs and start-up expenses for the heavy horsepower business have largely been absorbed over the last few years and are already reflected in reported profitability.
- Although margins may remain temporarily subdued during the initial capacity ramp-up due to lower utilization and higher depreciation, management expects return ratios to converge with the existing powertrain business over the next couple of years as operating leverage improves.
- The heavy horsepower business follows the same business model as the existing powertrain operations, with the only structural addition being the integration of casting operations alongside machining.

Update on the aluminum business

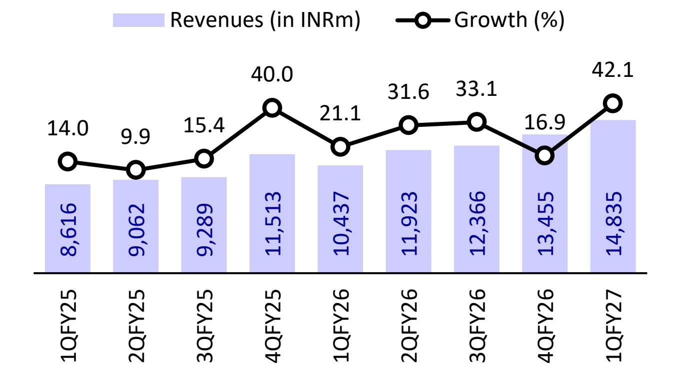
- Aluminum remains the company's fastest-growing business and is expected to continue outperforming the other segments in both absolute and percentage growth over the coming quarters.
- Growth is being driven by significant investments undertaken over the past few years, while several recently commissioned capacities are still in the ramp-up phase, providing a multi-quarter growth runway.
- The company continues to secure a healthy pipeline of orders across varying timelines, with some programs entering production over the next few quarters while larger development programs are scheduled for commercialization over FY29 and beyond.
- Combined alloy wheel capacity stands at 5.8m wheels, with production expected to touch or exceed 4m wheels during FY27 across the Hosur and Shoolagiri facilities.
- The company does not intend to undertake a major alloy wheel expansion immediately and will only add incremental capacity once utilization sustainably exceeds the 80% threshold.
- The newly announced Hosur Unit will be dedicated to high-pressure die-casting components for automotive applications across both two-wheelers and four-wheelers, rather than alloy wheels.

- The new facility is intended to address capacity constraints at existing plants while positioning the company to capitalize on strong customer enquiries and future growth.
- Aluminum capacity additions will be executed in phases over the next 4-6 quarters, ensuring investments remain aligned with order visibility and customer requirements.

Update on capex guidance

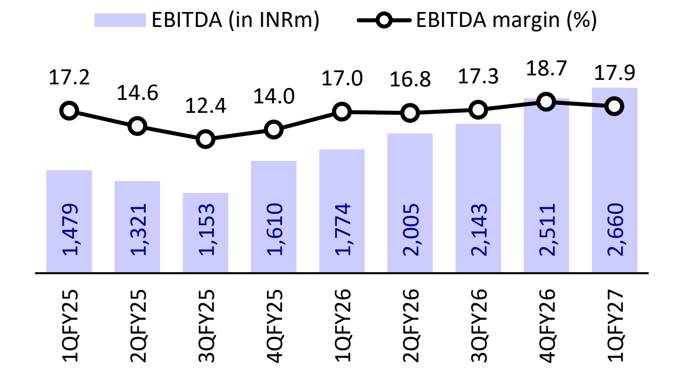
- Craftsman expects to incur standalone capex of around IN10b during FY27, broadly in line with its recent investment trajectory.
- The Board has approved an expansion plan of approximately INR4.3b in DRA, which will be executed in phases depending on order inflows and production timelines. Some expenditure may spill over into the following year based on demand.
- Sunbeam's investments will largely remain restricted to maintenance capex and selective capacity additions, with no major expansion planned.
- On a consolidated basis, management indicated a conservative FY27 capex estimate of around INR15b, while leaving room for upward revision should business momentum remain strong during Q2 and Q3.
- Management highlighted that greenfield projects now involve significantly higher upfront infrastructure investments, with land, buildings, utilities and plant infrastructure alone requiring INR1-2.5b before installation of production equipment.
- A significant portion of powertrain capex will be directed towards the heavy horsepower/stationary engine business, including foundry capabilities, while aluminum investments will support continued capacity expansion across multiple locations.
- Despite the elevated capital intensity, management expects robust revenue growth and EBITDA expansion to preserve healthy return ratios as new capacities are ramped up.
- The company reiterated that future capex will be funded primarily through internal accruals, with no requirement to raise equity capital while maintaining a comfortable debt-to-EBITDA profile.

Exhibit 1: SA revenue and revenue growth (%)



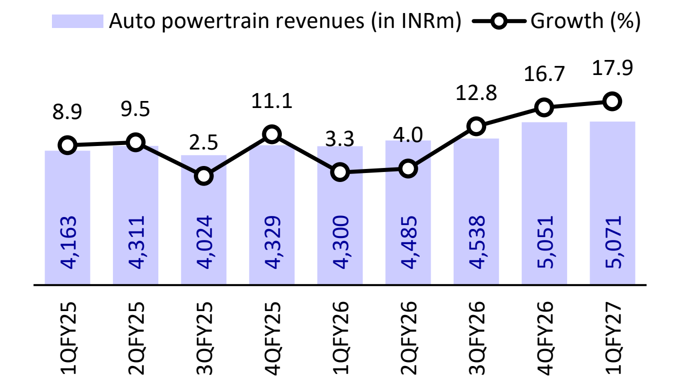
Source: Company, MOFSL

Exhibit 2: SA EBITDA and EBITDA margin (%)



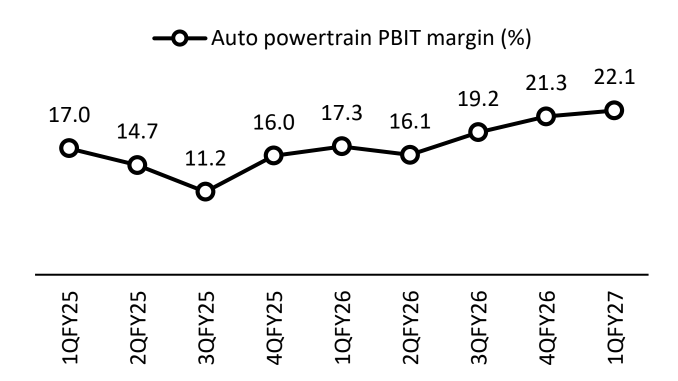
Source: Company, MOFSL

Exhibit 3: Auto powertrain's revenue and growth (%)



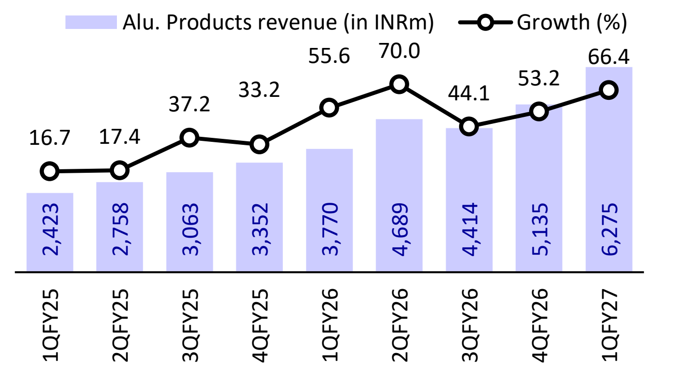
Source: Company, MOFSL

Exhibit 4: Auto powertrain's PBIT margin (%)



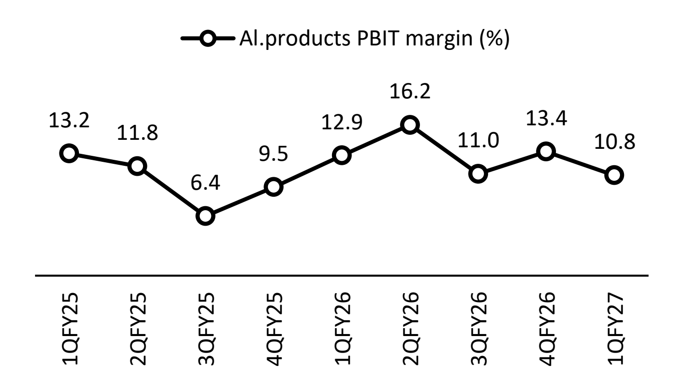
Source: Company, MOFSL

Exhibit 5: Aluminum products' revenue and growth (%)



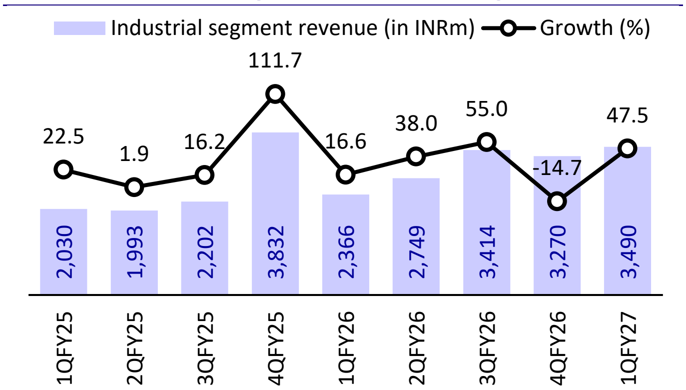
Source: Company, MOFSL

Exhibit 6: Aluminum products' PBIT margin (%)



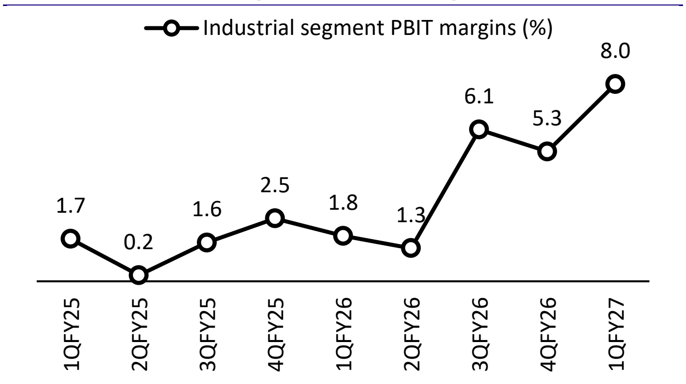
Source: Company, MOFSL

Exhibit 7: Industrial segment's revenue and growth (%)



Source: Company, MOFSL

Exhibit 8: Industrial segment's PBIT margin (%)



Source: Company, MOFSL

Valuation and view

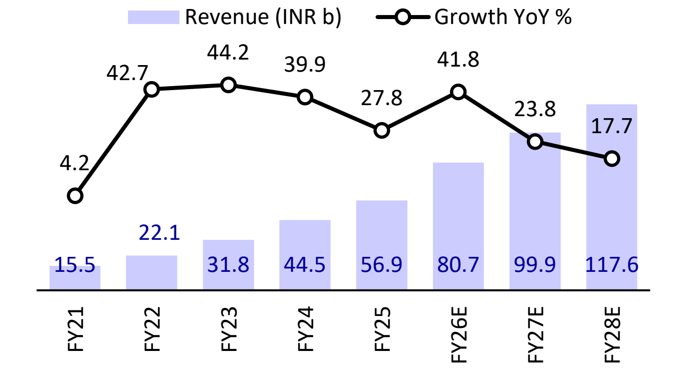
- Craftsman is a leader in machining critical engine and transmission components for MHCVs and tractors. Its in-house engineering and tool-making capabilities provide a competitive moat. It is also amongst the top 3 players in the storage solutions business in India. Further, it has significantly solidified its position in the domestic Al castings segment following the acquisitions of DR Axion and Sunbeam over the last few years. Particularly commendable has been the way management is on track to turn around operations at Sunbeam.
- The Auto demand revival across segments post-GST 2.0 augurs very well for players like Craftsman, which have a diversified mix with presence across all auto segments.
- Further, the company is setting up a new plant in Kothavadi to cater to components for the fast-growing data center segment in India. It is in advanced discussions with many large global OEMs who have set up plants in India to supply to their requirements. Based on their current assessment, they expect this business to scale up to USD 100m by FY30.
- The aluminum business is likely to be a key growth driver going forward on the back of a ramp-up of its alloy wheel facilities at Bhiwadi and Hosur, steady order visibility from both domestic and export customers, and the benefits of the restructuring of Sunbeam to be visible from FY27E. Management has indicated that while the Aluminum segment can grow at high-teens going forward, the powertrain and Industrial engineering segments can grow at a high single-digit rate. Fueled by a strong outperformance in 1Q, we raise our EPS estimates by 8%/3% for FY27/FY28. However, after the recent run-up in the stock, most of the positives appear factored in at **40.1x FY27E and at 29x FY28E**. **We reiterate our Neutral rating with a TP of INR9,699 (valued at 28x FY28E EPS).**

Exhibit 9: Our revised estimates

(INR b)	FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	99.9	93.3	7.1	117.6	108.3	8.6
EBITDA Margin (%)	**16.2**	**15.8**	**40bp**	**16.7**	**16.9**	**-20bp**
PAT	6.6	5.5	18.8	9.1	8.0	13.1
EPS (Rs)	250.7	231.3	**8.4**	346.4	335.8	**3.1**

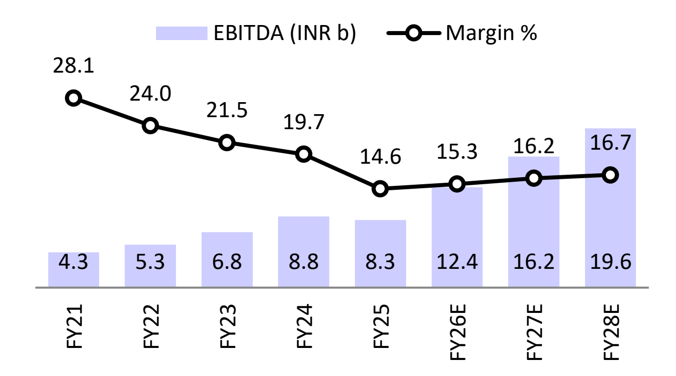
Key operating indicators

Exhibit 10: Consol. revenue trend



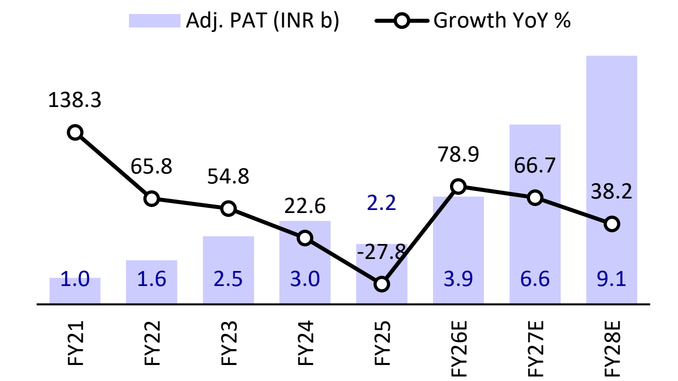
Source: Company, MOFSL

Exhibit 11: Consol. EBITDA trend



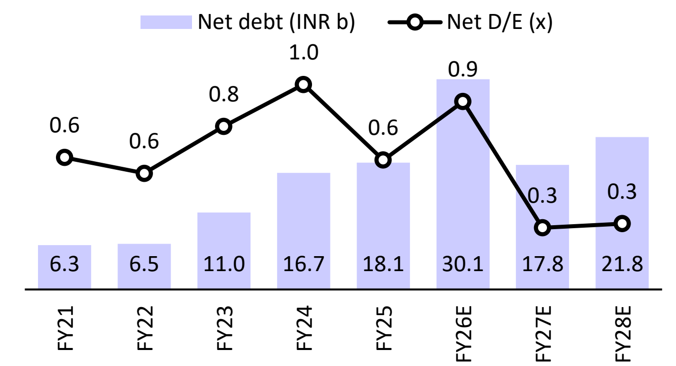
Source: Company, MOFSL

Exhibit 12: Consol. PAT trend



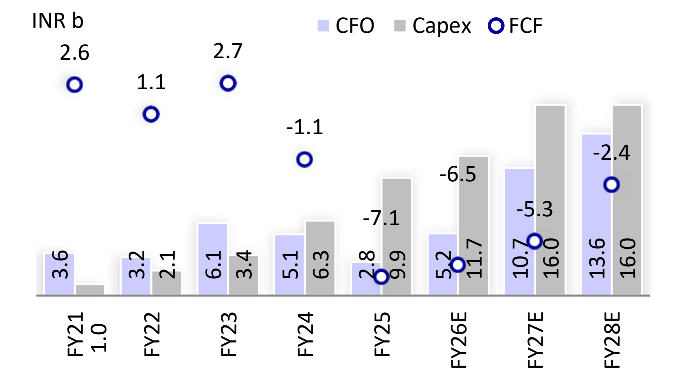
Source: Company, MOFSL

Exhibit 13: Debt likely to decline



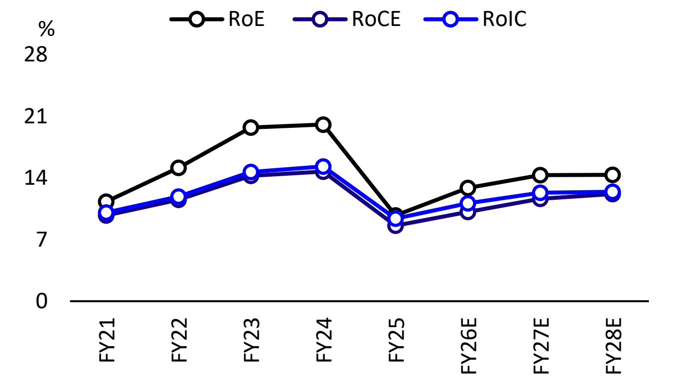
Source: Company, MOFSL

Exhibit 14: CFO to grow over FY26-28E…



Source: Company, MOFSL

Exhibit 15: …leading to a gradual improvement in returns



Source: Company, MOFSL

Financials and valuations

Income Statement (Consol)								(INR m)
Y/E March	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Net Revenues	**15,463**	**22,064**	**31,826**	**44,517**	**56,905**	**80,693**	**99,890**	**117,578**
Change (%)	4.2	42.7	44.2	39.9	27.8	41.8	23.8	17.7
EBITDA	**4,340**	**5,293**	**6,836**	**8,788**	**8,327**	**12,376**	**16,182**	**19,636**
EBITDA Margin (%)	28.1	24.0	21.5	19.7	14.6	15.3	16.2	16.7
Change (%)	9.9	22.0	29.2	28.6	-5.2	48.6	30.8	21.3
Depreciation	1,924	2,060	2,216	2,777	3,470	4,439	5,180	6,300
EBIT	**2,416**	**3,233**	**4,620**	**6,011**	**4,857**	**7,937**	**11,003**	**13,336**
EBIT Margins (%)	15.6	14.7	14.5	13.5	8.5	9.8	11.0	11.3
Interest cost	1,073	842	1,202	1,745	2,166	3,090	3,399	2,719
Other Income	132	93	125	172	251	614	1,227	1,595
Non-recurring Expense	0	0	0	0	255	130	0	0
PBT	**1,476**	**2,484**	**3,543**	**4,438**	**2,686**	**5,332**	**8,831**	**12,212**
Eff.Tax Rate (%)	34.4	35.4	29.3	24.2	25.6	28.2	26.0	26.0
PAT	**968**	**1,605**	**2,505**	**3,365**	**1,999**	**3,829**	**6,535**	**9,037**
Minority Interest	-	-	20.9	320.1	-10.0	-11.2	-22.0	-24.2
Adj. PAT	**968**	**1,605**	**2,484**	**3,045**	**2,198**	**3,933**	**6,557**	**9,061**
Change (%)	138.3	65.8	54.8	22.6	-27.8	78.9	66.7	38.2

Balance Sheet (Consol)								(INR m)
Y/E March	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Sources of Funds								
Share Capital	106	106	106	106	119	119	131	131
Reserves	9,679	11,316	13,663	16,474	28,448	32,521	58,753	67,369
Net Worth	**9,785**	**11,422**	**13,769**	**16,580**	**28,567**	**32,641**	**58,884**	**67,500**
Minority interest	0	0	610	937	0	0	0	0
Deferred Tax	691	1,168	1,411	1,315	61	223	223	224
Loans	7,035	7,156	11,527	17,548	23,582	36,235	27,235	27,235
Capital Employed	**17,511**	**19,746**	**27,317**	**36,380**	**52,210**	**69,099**	**86,342**	**94,959**
Application of Funds								
Gross Fixed Assets	23,360	25,464	31,256	37,990	52,144	65,995	81,995	97,995
Less: Depreciation	8,255	10,026	11,917	14,223	17,341	21,133	26,312	32,612
Net Fixed Assets	**15,105**	**15,438**	**19,339**	**23,767**	**34,803**	**44,863**	**55,683**	**65,383**
Capital WIP	320	420	966	1,786	3,453	3,823	3,823	3,823
Investments	436	422	235	240	4,470	4,712	8,512	3,712
Goodwill			1,900	1,900	1,901	1,901	1,901	1,901
Curr.Assets, L & Adv.	**7,755**	**10,559**	**15,628**	**19,364**	**26,539**	**34,484**	**41,189**	**48,775**
Inventory	3,976	6,206	8,360	10,408	13,321	17,454	21,607	25,433
Sundry Debtors	2,355	2,942	5,353	5,766	9,206	11,105	13,747	16,182
Cash & Bank Balances	263	227	273	635	974	1,448	911	1,744
Loans & Advances	1,161	1,185	1,641	2,555	3,038	4,476	4,924	5,416
Current Liab. & Prov.	**6,105**	**7,094**	**10,750**	**10,678**	**18,955**	**20,684**	**24,766**	**28,636**
Sundry Creditors	3,523	4,654	7,116	8,006	13,343	14,601	18,074	21,275
Other Liabilities	2,544	2,393	3,566	2,559	5,362	5,822	6,405	7,045
Provisions	38	47	68	112	250	261	287	316
Net Current Assets	**1,650**	**3,466**	**4,878**	**8,686**	**7,584**	**13,800**	**16,423**	**20,139**
Application of Funds	**17,511**	**19,746**	**27,317**	**36,380**	**52,210**	**69,099**	**86,342**	**94,959**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E
EPS	**45.8**	**76.0**	**117.6**	**144.2**	**92.1**	**164.8**	**250.7**	**346.4**
EPS Growth (%)	127.0	65.8	54.8	22.6	-36.1	78.9	52.1	38.2
Cash EPS	136.9	173.5	223.5	290.8	229.2	346.5	447.8	586.3
Book Value per Share	463.3	540.8	651.9	785.0	1,197.3	1,368.0	2,251.0	2,580.4
DPS	0.0	3.8	11.3	11.3	5.0	11.3	12.0	17.0
Payout (Incl. Div. Tax) %	0.0	4.9	9.6	7.8	5.4	6.8	4.8	4.9
FCF per share	123.1	53.1	126.9	-54.3	-296.1	-271.1	-201.6	-92.6
Valuation (x)								
P/E	219.3	132.2	85.4	69.7	109.1	61.0	40.1	29.0
Cash P/E	73.4	57.9	44.9	34.5	43.8	29.0	22.4	17.1
EV/EBITDA	50.3	41.3	32.7	26.0	31.0	21.8	17.3	14.5
EV/Sales	14.1	9.9	7.0	5.1	4.5	3.3	2.8	2.4
Price to Book Value	21.7	18.6	15.4	12.8	8.4	7.3	4.5	3.9
Dividend Yield (%)	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.2
Profitability Ratios (%)								
RoE	11.3	15.1	19.7	20.1	9.7	12.9	14.3	14.3
RoCE (post-tax)	9.7	11.5	14.3	14.7	8.6	10.1	11.6	12.2
RoIC	10.1	11.9	14.7	15.3	9.4	11.1	12.3	12.4
Turnover Ratios								
Debtors (Days)	56	49	61	47	59	50	50	50
Inventory (Days)	94	103	96	85	85	79	79	79
Creditors (Days)	83	77	82	66	86	66	66	66
Working Capital (Days)	39	57	56	71	49	62	60	63
Asset Turnover (x)	0.9	1.1	1.2	1.2	1.1	1.2	1.2	1.2
Leverage Ratio								
Net Debt/Equity (x)	0.6	0.6	0.8	1.0	0.6	0.9	0.3	0.3

E: MOFSL Estimates

Cash Flow Statement **(INR m)**

Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E
Profit before Tax	1,476	2,484	3,548	4,447	2,697	5,343	8,831	12,212
Depreciation & Amort.	1,924	2,060	2,216	2,777	3,470	4,439	5,180	6,300
Direct Taxes Paid	-226	-368	-726	-1,475	-736	-914	-2,296	-3,175
(Inc)/Dec in Working Capital	-352	-1,519	105	-1,924	-4,277	-5,983	-3,160	-2,883
Interest/Div. Received	-52	-39	-73	0	-100	-21	2171	1124
Other Items	792	606	1,007	1,308	1,776	2,353	0	0
CF after EO Items	**3,561**	**3,224**	**6,077**	**5,133**	**2,829**	**5,217**	**10,726**	**13,577**
(Inc)/Dec in FA+CWIP	-961	-2,103	-3,396	-6,281	-9,893	-11,686	-16,000	-16,000
Free Cash Flow	**2,600**	**1,121**	**2,681**	**-1,148**	**-7,064**	**-6,469**	**-5,274**	**-2,423**
Interest/dividend received	12	14	65	23	127	48	1,227	1,595
(Pur)/Sale of Invest.	27	28	2	-2	-6,917	-1,494	-3,800	4,800
CF from Inv. Activity	**-922**	**-2,061**	**-7,075**	**-6,254**	**-16,424**	**-13,132**	**-18,573**	**-9,605**
Issue of Shares	1,456	-19	0	0	11,802	0	20,000	0
Inc/(Dec) in Debt	-2,387	10	2,042	3,938	5,070	12,864	-9,000	0
Interest Paid	-1,093	-769	-1,027	-1,718	-2,139	-3,117	-3,399	-2,719
Dividends Paid	0	0	-79	-238	-238	-119	-314	-445
CF from Fin. Activity	**-2,960**	**-1,200**	**730**	**1,482**	**13,934**	**8,275**	**7,309**	**-3,139**
Inc/(Dec) in Cash	**-322**	**-37**	**-268**	**362**	**340**	**360**	**-537**	**833**
Add: Beginning Balance	585	263	541	273	635	975	1,449	911
Closing Balance	**263**	**227**	**273**	**635**	**975**	**1,449**	**911**	**1,744**

E: MOFSL Estimates

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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