

# Amber Enterprises India Ltd.

Healthy top-line growth despite slow start; Margins impacted due to high input cost; Long-term view remains positive

**Q4FY22 consolidated** top-line grew ~21.2% YoY, mainly due to ~38.5% YoY growth in the 'RAC Component & Mobility' segment. A change in product mix limited RACs revenue growth at ~8.6%, despite ~28.5% YoY growth in volumes at ~1.5 mn units. The company witnessed a) lower orders for windows ACs as new BEE table to come into effect starting 01-Jul-22 and b) increase in sale of low tonnage split ACs. The gross margins impacted ~208bps YoY at ~13.8% due to continued increase in commodity prices. The price increase of ~2-3% implemented during Q4FY22 to reflect from Q1FY23 onwards. Consolidated PAT declined ~24.2% YoY at Rs 572 mn. We believe that company to outperform RACs industry growth in FY23, while the Components segment expected to register robust growth. We remain positive on company's mid-to-long term potential; we have 'Accumulate' rating on the stock.

## Q4FY22 top-line growth healthy, led by RAC components; margins impacted on higher RM cost

- Amber's Q4FY22 consolidated net revenue grew ~21.2% YoY at Rs 19,367 mn, driven by ~38.5% YoY growth in 'RAC component & Mobility Application' revenues at Rs 9,350 mn. The RAC segment reported ~8.6% YoY increase in revenues at Rs 10,020 mn, despite ~28.5% YoY growth in RAC volume at ~1.5 mn units, as realizations fell ~15.5% YoY at Rs 6,680/ unit, due to change in product mix (*more split ACs than windows ac, higher sale of lesser tonnage ACs*). The revenue mix between RACs and RACs components stood at 52:48 (vs 58:42).
- Gross margins marginally declined ~208bps YoY and ~450bps QoQ at ~13.8%, as commodity prices continued it's up trend. Though, the Company was able to pass on increase in input prices, it will take a quarter to reflect. The EBITDA margins fell ~236bps YoY & 109bps QoQ at ~6.5%, as SG&A cost increased ~26% YoY at Rs 1,415 mn, led by ~43.7% YoY increase in Employee cost at Rs 427 mn. Q4FY22 SG&A cost included Rs 40.8 mn towards ESOP expenses.
- PBT fell ~26.3% YoY at Rs 859 mn, due to higher depreciation (Rs 302 mn, +33% YoY) and interest expenses (Rs 186 mn, ~77.5% YoY). Despite a decline in tax rate (30.9% vs 34.3% YoY) consolidated PAT fell ~24.2% YoY at Rs 572 mn.

## Outlook & Valuation

We expect RAC industry to post strong volume growth for FY23 due to recovery in demand, while Amber is expected to outperform the industry growth. The lower realizations reported during Q4FY22 are temporary. The realizations over mid-long term will be guided by how product mix shifts towards inverter ACs from fixed speed and Window ACs. The high margin RAC Component segment is expected to drive Company's top-line growth over a long-term horizon. Amber has increased its product offering with recent acquisitions of Pasio and Pravartaka. The commencement of new greenfield facilities, exports by Motors and Electronics segment, RAC components PLI scheme, and growth in commercial ACs segment to provide long term catalyst for growth. We have valued the stock according to DCF valuation method. Post Q4FY22 earnings, we have revised our estimates and arrived at a price target of Rs 3,017, which offers an upside of ~11.6%. We have a "Accumulate" rating on the stock.

Y/E Mar (Rs mn)	Q4 FY22	Q4 FY21	YoY (%)	Q3 FY22	QoQ (%)
<b>RACs Volume (In '000)</b>	<b>1,500</b>	<b>1,167</b>	<b>28.5</b>	<b>391</b>	<b>283.6</b>
Realization (Rs)	6,680	7,909	-15.5	9,616	-30.5
<b>Total Income</b>	<b>19,367</b>	<b>15,984</b>	<b>21.2</b>	<b>9,743</b>	<b>98.8</b>
Cost of goods sold	16,699	13,449	24.2	7,962	109.7
SG&A Expenses	1,415	1,124	26.0	1,044	35.5
<b>EBITDA</b>	<b>1,253</b>	<b>1,412</b>	<b>-11.3</b>	<b>736</b>	<b>70.2</b>
EBITDA margin (%)	6.5	8.8	-236 bps	7.6	-109 bps
Depreciation	302	227	33.0	271	11.6
Interest	186	105	77.5	123	50.7
Other Income	94	85	10.8	86	8.8
<b>PBT</b>	<b>859</b>	<b>1,164</b>	<b>-26.3</b>	<b>428</b>	<b>100.4</b>
Tax Expenses	266	400	-33.6	99	168.3
-effective tax rate	30.9	34.3	-339 bps	23.1	782 bps
<b>Consolidated PAT</b>	<b>572</b>	<b>755</b>	<b>-24.2</b>	<b>321</b>	<b>78.1</b>
PAT margin (%)	3.0	4.7	-177 bps	3.3	-34 bps

Source: Company, SMIFS Research

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	PAT	YoY (%)	EPS (Rs)	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY20	39,628	-44.0%	3,093	7.8%	1,584	69.1%	47.0	15.0%	17.1%	57.5	30.4
FY21	30,305	-23.5%	2,203	7.3%	816	-48.5%	24.2	6.0%	9.2%	111.6	41.9
FY22	42,064	38.8%	2,754	6.5%	1,092	33.8%	32.4	6.5%	8.4%	83.4	34.9
FY23e	56,813	35.1%	4,268	7.5%	2,107	92.9%	62.5	11.5%	12.2%	43.2	22.7
FY24e	70,584	24.2%	5,443	7.7%	2,951	40.1%	87.6	14.2%	15.0%	30.9	17.7

Source: Company, SMIFS Research Estimates



Rating: Accumulate Upside: 11.6%

Current Price: 2,704 Target Price: 3,017

### Earlier recommendation

Previous Rating:	Reduce
Previous Target Price:	3,435

### Market data

Bloomberg:	AMBER IN
52-week H/L (Rs):	4026/2,684
Mcap (Rs bn/USD bn):	91.1/1.2
Shares outstanding (mn):	33.7
Free float:	59.73%
Daily vol. (NSE - 3M Avg. In '000):	93.85
Face Value (Rs):	10.0
Group:	Nifty 500

Source: Bloomberg, ACE Equity, SMIFS Research

### Shareholding pattern (%)

	Mar-22	Dec-21	Sep-21	Jun-21
Promoter	40.27%	40.27%	40.27%	40.27%
FIIs	28.11%	29.06%	28.96%	28.11%
DIIIs	9.18%	9.27%	8.86%	7.24%
Public/others	22.44%	21.40%	21.91%	24.39%

Source: BSE

### Price performance (%)\*

	1M	3M	12M	36M
Nifty 500	-10.4%	-8.2%	8.8%	47.2%
AMBER	-24.6%	-21.2%	-8.6%	281.4%

\*as on 16-May-22; Source: AceEquity, SMIFS Research

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## Q4FY22 – Key takeaways from the management call

### Q4FY22 performance

- ✓ With the harsh summer season across India and receding Covid situation, the **consumer durable sales is expected to see robust demand**. The pandemic had impacted RACs volumes in the last two years, including the sales in summer season, which runs through **mid of January to June and accounts for ~60% of the annual RACs demand**.
- ✓ During Jan/Feb 2022, the **longer winter combined with the spread of the third wave of covid** (omicron) hampered trade and consumer attitudes, resulting in lower primary off-take of Air Conditioners by the channel partners. The hot weather, on the other hand, **boosted consumer demand in Mar-22**. Despite slower start, company was **able to achieve ~29% YoY growth in Q4FY22 RACs volume at ~1.5 mn units**.
- ✓ **The B2B demand has been strong in the last couple of months** with opening of establishments and it is expected to continue in the near to medium term. **The month of Mar-Apr has seen good demand**, both from urban and rural area.
- ✓ **For FY22, the company recorded ~24% YoY growth in RACs Volume at ~2.6 mn units**. The company has achieved its highest ever revenue of Rs 42,064 mn during FY22. The **operating EBITDA (before impact of ESOP expenses of Rs 156.7 mn) stood at 2960 mn**, with margins of **~7% (vs ~7.3% YoY)**. **Q4FY22 EBITDA margins (before impact of ESOP expenses of Rs 40.8 mn mn) recorded at ~6.9% (vs ~9.2% YoY)**.

### Price increase

- ✓ However, the **geopolitical tension between Russia and Ukraine** has led to higher crude prices, including commodities. Further, **Covid induced lockdown in China resulted in supply crunch** and fuelled commodity inflation.
- ✓ The Raw Material prices for the company also went higher. However, **majority of the price increase have been passed, with a quarter lag**. The company has been able to take **cumulative price increase of ~15-17% in the last 2 years**. Out of which, ~8-10% increase happened in the FY22 itself. The **~2-3% increase taken during Q4FY22, will get reflected in Q1FY23** due to inflationary trend. The commodity prices have moved up by ~11-12%, so still there is a gap of ~2-3%, which needs to be passed on.

### Segment performance

#### RAC

- ✓ **FY22 RAC revenue stood at Rs 19,750 mn (vs Rs 16,210 mn)**. The components revenue, including mobility has jumped to Rs 22,310 mn (vs 13,530 mn) during FY22. Excluding the Mobility revenue, i.e. Rs 2,890 mn, the **revenue mix is almost 50:50 between RAC and RAC components**. For Q4FY22, the segment revenue has increased by ~8% YoY at Rs 1,002 mn.
- ✓ The company has been able to convert few customers from first phase of gas charging started in FY22 to offering completely built units of RACs. It has also **added new customers**. On the commercial ACs side, company has **added entire range commercial Ductable ACs and Cassette ACs**.

#### Motor Division – PICL

- ✓ The segment reported Revenue of Rs 800 mn for Q4FY22, up ~13% YoY. The company **has launched new models of Motors for the domestic and export markets**. The exports are moving fine and the company has **exported ~1.5 lac motors** to middle-east. The company has strong order book in the segment. It **expects to double the exports in coming FY**.

#### Electronics Division - ILJIN, EVER

- ✓ The segment reported **~48% YoY growth in Q4FY22 Revenue at Rs 2,620 mn**. The Company has added new customers in the division. It has **started supplying smart wearables and hearables** to the customers. The division **revenues are expected to grow with the increasing demand for Inverter ACs**.

#### Mobility Division – Sidwal

- ✓ Mobility division has reported ~3% YoY growth in Q4FY22 Revenue at Rs 820 mn. The company has **on-boarded new customer within the segment**, who are global leaders. It has **launched new products to cater data-centers and steel plants**. These are basically machine cooling products and not chillers. The company has MNC customers for the products. The products have been developed as ODM solutions. The **total order book for the segment stood at Rs 6,000 mn**.

#### RAC Market Size

- ✓ The Covid pandemic has resulted in **contraction of domestic RACs demand from ~7mn units in FY20 to ~5.2 mn units in FY21**. During FY22, the RACs demand is expected at ~6.4 mn units. For FY23, the RACs demand is expected to grow by ~30% YoY at ~8-8.2 mn units. The company is **confident to outnumber the industry growth**.
- ✓ According to an estimate, the **domestic RAC industry size is ~Rs 179.2 bn**, while the **manufacturing contributes ~Rs 121.6 bn**. Amber's sales from 'RAC and RAC components' is ~Rs 32.3 bn currently **has ~26.5% market share** in the overall domestic RACs and RAC components manufacturing at OEM level. It expects to garner ~100bps more share going forward. However, the Company is looking market share as value perspective and not volume. The **current revenue mix between RACs and 'RAC components (ex. Mobility) stood almost 50:50**, compared to 76:24 during FY18.

#### Acquisition in injection moulding space

- ✓ During the year, the company has **acquired ~60% in equity share of cooling services 'Pravartaka Tooling Services Private Limited', which manufactures injection moulding** and components for various applications. With this acquisition, the company has now **in-house facility in injection moulding tools** which will help company to offer more diversified injection moulded components to sectors like electronics, automotive and consumer durable sector.

#### New BEE rating

- ✓ The **new BEE (Bureau of Energy Efficiency) rating to become effective from 01-Jul-22**, which will result in **increase in prices of RACs by Rs 1,000-1,200 per unit**, depending on model to model.

#### Capex

- ✓ The **new manufacturing unit at Sri City is almost completed**. The Company **plans to incur ~Rs 350-400 crore towards maintenance, R&D and PLI capex during FY23**.

#### Others

- ✓ The ratio of fixed speed ACs has come down to ~20% from ~50% earlier. **Going forward, RACs realizations will be guided by changing product mix**. The share of **Inverter ACs is expected to rise over windows and fixed speed ACs**. Amber also **witnessed some demand for lower tonnage ACs, which was not there before**.
- ✓ Currently, **~84% of the compressors are being imported** in India. With the commissioning of GMCC and Highly's manufacturing units, **over next 2 years, ~80-85% of the compressors demand will be met through domestic manufacturing**. Economies of scale and absence of forex fluctuations in regards with imports may **result in ~3-4% lower bill of materials** for the industry.

## Outlook and Valuation

The **demand environment has continued to show positive trend during Q4FY22**, following a **harsh summer season across India** and **receding Covid situation**. The pandemic had impacted RACs volumes in the last two years, including the summer season sales, which accounts for ~60% of the annual RACs demand.

The **B2B demand has been strong in the last couple of months** with opening of establishments and it is expected to continue in the near to medium term. The month of **Mar-Apr has seen good demand**, both from urban and rural area.

**We are optimistic on RAC demand growth outlook due to recovery in demand. We expect Amber to post a strong volume growth in Q1FY23e and FY23e.**

The ongoing Rs 4,000 mn Greenfield capex is on track and the same is expected to increase company's RAC capacity by ~44% to 6.5 mn units by FY23e end. Component & Mobility Application business is expected to witness good traction from FY23Ee, on start of new plant and exports to US and Middle East by Motors segment (subsidiary PICL). **The margins for company are expected to improve going forward as the share of components business increases, which carries superior margins compared to RACs.**

The company has already received two PLI scheme approvals for RAC components.

**The triggers like recovery in RAC demand, RAC components PLI Scheme, commencement of two new plants and exports by the PICL are expected to provide long term catalyst for growth. A third wave of Covid, if any, could pose demand challenges in the near term.**

We have valued the stock according to **DCF valuation method**. Post Q4FY22 earnings, we have revised our estimates and arrived at a **price target of Rs 3,017**, which offers an **upside of ~11.6%**. We have a **"Accumulate"** rating on the stock.

Key risks for the company includes *a) High dependency on few customers, b) Any slowdown in the RAC industry, which may adversely impact the business, c) Pricing pressure from customers, which may impact the margins, d) Capex intensive nature of business, which may require higher working capital and e) Competition from other players or from client.*

## Quarterly financials, operating metrics and key performance indicators

**Fig 1: Quarterly Financials**

Y/E March (Rs mn)	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
<b>Net Revenue</b>	<b>2,595</b>	<b>4,079</b>	<b>7,647</b>	<b>15,984</b>	<b>7,079</b>	<b>5,875</b>	<b>9,743</b>	<b>19,367</b>
Cost of goods sold	2,176	3,279	6,231	13,449	5,892	4,744	7,962	16,699
<b>Gross Profit</b>	<b>419</b>	<b>801</b>	<b>1,416</b>	<b>2,535</b>	<b>1,187</b>	<b>1,131</b>	<b>1,781</b>	<b>2,668</b>
Employees Cost	225	226	273	297	323	353	397	427
Other Expenses	249	359	513	826	443	435	648	988
<b>EBITDA</b>	<b>-55</b>	<b>216</b>	<b>630</b>	<b>1,412</b>	<b>422</b>	<b>343</b>	<b>736</b>	<b>1,253</b>
Depreciation	229	232	235	227	244	262	271	302
Interest cost	102	117	86	105	91	64	123	186
<b>PBT from operations</b>	<b>-386</b>	<b>-132</b>	<b>309</b>	<b>1,080</b>	<b>87</b>	<b>17</b>	<b>342</b>	<b>765</b>
Other Income	30	126	90	85	71	81	86	94
<b>PBT</b>	<b>-356</b>	<b>-6</b>	<b>399</b>	<b>1,164</b>	<b>158</b>	<b>98</b>	<b>428</b>	<b>859</b>
Tax	-117	-34	120	400	46	19	99	266
Tax rate (%)	NA	NA	30.1	34.3	29.0	19.6	23.1	30.9
<b>PAT</b>	<b>-239</b>	<b>28</b>	<b>279</b>	<b>765</b>	<b>112</b>	<b>79</b>	<b>329</b>	<b>593</b>
Minority Interest	15	-12	-10	-10	12	-5	-8	-21
<b>Consolidated PAT</b>	<b>-224</b>	<b>17</b>	<b>269</b>	<b>755</b>	<b>124</b>	<b>74</b>	<b>321</b>	<b>572</b>
<b>EPS (In Rs)</b>	<b>-6.66</b>	<b>0.49</b>	<b>7.99</b>	<b>22.39</b>	<b>3.69</b>	<b>2.21</b>	<b>9.53</b>	<b>16.98</b>
Equity Capital	314	337	337	337	337	337	337	337
Face Value (In Rs)	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
<b>YoY Growth (%)</b>								
Net Revenue	-79.0	-34.5	-3.0	21.5	172.9	44.0	27.4	21.2
EBITDA	-104.7	-41.2	16.1	38.6	863.4	58.8	16.8	-11.3
Consolidated PAT	-137.2	-76.7	12.4	21.7	146.8	177.6	18.2	-22.5
<b>QoQ Growth (%)</b>								
Net Revenue	-80.3	57.2	87.5	109.0	-55.7	-17.0	65.8	98.8
EBITDA	-105.4	491.1	191.8	124.0	-70.1	-18.7	114.6	70.2
Consolidated PAT	-135.7	107.4	1526.7	180.2	-83.5	-40.2	332.2	78.1
<b>Margin (%)</b>								
Gross	16.1	19.6	18.5	15.9	16.8	19.3	18.3	13.8
EBITDA	-2.1	5.3	8.2	8.8	6.0	5.8	7.6	6.5
PAT	-9.2	0.7	3.6	4.8	1.6	1.3	3.4	3.1
<b>Operational KPIs</b>								
<b>RAC Volume ('000)</b>	<b>200</b>	<b>190</b>	<b>543</b>	<b>1,167</b>	<b>478</b>	<b>231</b>	<b>391</b>	<b>1,500</b>
Growth (%)	-80.8	-54.0	-5.1	16.7	139.0	21.6	-28.0	28.5
<b>Segment Revenue</b>								
Motors – PICL	80	170	350	710	360	400	800	800
Electronics – ILJIN, EVER	335	1,260	1,240	1,770	610	1,410	1,860	2,620
Mobility – SIDWAL	301	470	440	800	500	720	850	820
AmberPR	-	-	-	-	-	-	120	510
Parvartika	-	-	-	-	-	-	-	255

Source: Company, SMIFS Research Estimates

### Key Assumptions

Operating Details	FY20	FY21	FY22	FY23e	FY24e
<b>Standalone Revenue (a)</b>					
RACs	24,250	16,780	19,750	26,929	33,998
Growth (%)	39.3	-30.8	17.7	36.4	26.3
Components	5,777	6,179	10,570	14,798	19,237
Growth (%)	29.1	7.0	71.1	40.0	30.0
<b>Subsidiaries Revenue (b)</b>					
PICL	1,850	1,310	2,360	3,186	3,664
ILJIN & EVER	6,218	4,605	6,500	8,288	9,531
SIDWAL	2,260	2,011	2,890	3,613	4,154
<b>Consolidated Net Revenue (a+b)</b>	<b>39,628</b>	<b>30,305</b>	<b>42,064</b>	<b>56,813</b>	<b>70,584</b>
<b>RACs - Installed Capacity (In Mn Units)</b>	<b>5.0</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>6.5</b>
Capacity Utilization (%)	60%	47%	58%	78%	68%
<b>RACs - Sales Volume (In Mn Units)</b>	<b>3.03</b>	<b>2.10</b>	<b>2.60</b>	<b>3.51</b>	<b>4.39</b>
Growth (%)	43.1	-30.6	23.8	35.0	25.0

Source: Company, SMIFS Research Estimates

## Financial Statements (Consolidated)

### Income Statement

YE March (Rs mn)	FY20	FY21	FY22	FY23e	FY24e
<b>Net Revenue</b>	<b>39,628</b>	<b>30,305</b>	<b>42,064</b>	<b>56,813</b>	<b>70,584</b>
% Growth	44.0	-23.5	38.8	35.1	24.2
COGS	33,017	25,135	35,297	47,616	59,017
% of revenues	83.3	82.9	83.9	83.8	83.6
<b>Gross Profit</b>	<b>6,611</b>	<b>5,170</b>	<b>6,767</b>	<b>9,197</b>	<b>11,567</b>
Gross margin (%)	16.7	17.1	16.1	16.2	16.4
Employee Cost	1,063	1,021	1,500	1,534	1,906
% of revenues	2.7	3.4	3.6	2.7	2.7
Other Expenses	2,455	1,947	2,514	3,395	4,219
% of revenues	6.2	6.4	6.0	6.0	6.0
<b>EBITDA</b>	<b>3,093</b>	<b>2,203</b>	<b>2,754</b>	<b>4,268</b>	<b>5,443</b>
EBITDA margin (%)	7.8	7.3	6.5	7.5	7.7
Depreciation & Amortisation	848	923	1,079	1,268	1,404
<b>EBIT</b>	<b>2,245</b>	<b>1,280</b>	<b>1,675</b>	<b>2,999</b>	<b>4,039</b>
Interest Cost	419	410	464	662	634
<b>PBT from operations</b>	<b>1,826</b>	<b>870</b>	<b>1,210</b>	<b>2,337</b>	<b>3,405</b>
Other Income	82	331	332	479	541
Exceptional items	-	-	-	-	-
<b>PBT</b>	<b>1,907</b>	<b>1,201</b>	<b>1,543</b>	<b>2,816</b>	<b>3,946</b>
Tax Expenses	266	369	429	710	994
Effective tax rate (%)	13.9	30.7	27.8	25.2	25.2
<b>Reported PAT</b>	<b>1,641</b>	<b>833</b>	<b>1,113</b>	<b>2,107</b>	<b>2,951</b>
Minority Interest	-57	-17	-21	-	-
<b>Consolidated PAT</b>	<b>1,584</b>	<b>816</b>	<b>1,092</b>	<b>2,107</b>	<b>2,951</b>
No. of Shares (mn)	31.4	33.7	33.7	33.7	33.7

Source: Company, SMIFS research estimates

### Balance Sheet

YE March (Rs mn)	FY20	FY21	FY22	FY23e	FY24e
<b>Source of funds</b>					
Share Capital	314	337	337	337	337
Reserves & Surplus	10,970	15,704	17,005	19,054	21,834
<b>Networth</b>	<b>11,284</b>	<b>16,041</b>	<b>17,342</b>	<b>19,391</b>	<b>22,171</b>
Minority Interest	348	365	387	387	387
Total Borrowings	3,675	3,836	10,318	9,857	9,459
Net deferred tax liability	678	769	954	954	954
Other non-current liabilities	843	255	811	835	1,006
<b>Total Equity &amp; Liabilities</b>	<b>16,828</b>	<b>21,266</b>	<b>29,812</b>	<b>31,424</b>	<b>33,978</b>
<b>Application of funds</b>					
Net Block	11,144	11,585	15,278	17,378	18,782
Capital WIP	32	288	1,056	571	386
<b>Net Assets</b>	<b>11,176</b>	<b>11,873</b>	<b>16,334</b>	<b>17,948</b>	<b>19,168</b>
<b>Financial assets</b>	<b>143</b>	<b>1,710</b>	<b>2,140</b>	<b>2,337</b>	<b>3,093</b>
<b>Other non-current assets</b>	<b>337</b>	<b>298</b>	<b>937</b>	<b>769</b>	<b>1,074</b>
Inventories	6,557	7,163	8,408	8,944	10,003
Trade Receivables	8,542	10,690	13,149	12,401	13,894
Investments	-	529	1,198	1,198	1,198
Cash and Cash Equivalents	1,203	2,899	5,626	4,476	4,569
Loans	187	53	18	130	105
Other financial assets	453	248	246	482	530
Other current assets	367	377	1,036	877	1,235
<b>Total Current Assets</b>	<b>17,309</b>	<b>21,959</b>	<b>29,680</b>	<b>28,509</b>	<b>31,533</b>
Trade payables	11,058	13,169	17,021	15,794	17,663
Other financial liabilities	1,065	1,254	2,201	2,283	3,150
Provisions	19	23	35	39	54
Current tax liabilities (net)	19	133	27	27	27
<b>Total Current Liabilities</b>	<b>12,161</b>	<b>14,579</b>	<b>19,284</b>	<b>18,144</b>	<b>20,894</b>
<b>Net Current Assets</b>	<b>5,147</b>	<b>7,381</b>	<b>10,396</b>	<b>10,365</b>	<b>10,639</b>
Assets held for sale	25	5	5	5	5
<b>Total Assets</b>	<b>16,828</b>	<b>21,266</b>	<b>29,812</b>	<b>31,424</b>	<b>33,978</b>

Source: Company, SMIFS research estimates

### Key Ratios

YE March	FY20	FY21	FY22	FY23e	FY24e
<b>Growth (%)</b>					
Net Revenue	44.0	-23.5	38.8	35.1	24.2
EBITDA	45.3	28.8	25.0	55.0	27.5
PAT	69.1	48.5	33.8	92.9	40.1
<b>Margins (%)</b>					
EBITDA Margin	7.8	7.3	6.5	7.5	7.7
EBIT margin	5.7	4.2	4.0	5.3	5.7
PBT Margin	4.6	2.9	2.9	4.1	4.8
PAT Margin	4.1	2.7	2.6	3.7	4.2
<b>Profitability Ratios (%)</b>					
RoE	15.0	6.0	6.5	11.5	14.2
RoCE	17.1	9.2	8.4	12.2	15.0
RoA	6.0	2.5	2.6	4.3	5.7
<b>Working Capital Days</b>					
Inventory Days	67	100	91	79	68
Debtors days	76	116	105	92	80
Creditors Days	113	176	160	139	121
Cash Conversion period	30	40	36	31	27
<b>Turnover Ratios (x)</b>					
Asset Turnover	1.5	0.9	1.0	1.2	1.4
Fixed Asset Turnover	5.7	4.0	4.5	4.8	5.2
<b>Solvency/ Liquidity Ratios (x)</b>					
Debt/ Equity	0.33	0.24	0.59	0.51	0.43
Net Debt/ Equity	0.22	0.06	0.27	0.28	0.22
Current Ratio	1.24	1.34	1.13	1.13	1.13
Interest Coverage	5.36	3.12	3.61	4.53	6.37
<b>Dividend</b>					
DPS (Rs)	3.2	0.0	0.0	1.9	5.3
Dividend Payout (%)	6.8	0.0	0.0	3.0	6.0
Dividend Yield (%)	0.12	0.00	0.00	0.07	0.19
<b>Per Share Data (In Rs)</b>					
EPS	47.0	24.2	32.4	62.5	87.6
BVPS	334.9	476.1	514.7	575.5	658.0
CFS	91.7	65.6	74.1	70.0	102.5
<b>Valuation Ratios (x)</b>					
P/E	57.5	111.6	83.4	43.2	30.9
P/BV	8.1	5.7	5.3	4.7	4.1
EV/ EBITDA	30.4	41.9	34.9	22.7	17.7
EV/ Sales	2.4	3.0	2.3	1.7	1.4

Source: Company, SMIFS research estimates

### Cash Flow

YE March (Rs mn)	FY20	FY21	FY22	FY23e	FY24e
<b>PBT</b>	<b>1,907</b>	<b>1,201</b>	<b>1,543</b>	<b>2,816</b>	<b>3,946</b>
Depreciation & Amortisation	848	923	1,079	1,268	1,404
Interest & dividend Income	-21	-129	-304	-441	-352
Interest expense	419	406	464	662	634
Others	173	-33	227	-114	-1,071
<b>Op. profit bef. working capital changes</b>	<b>3,326</b>	<b>2,369</b>	<b>3,008</b>	<b>4,192</b>	<b>4,561</b>
Changes in working capital	44	-80	26	-1,123	-1,071
Taxes Paid	-488	-79	-539	-710	-994
<b>Cash Flow from Operating Activities (a)</b>	<b>2,882</b>	<b>2,210</b>	<b>2,495</b>	<b>2,359</b>	<b>8,128</b>
Capital Expenditure	-1,411	-1,711	-4,077	-2,883	-2,624
Other Investments	-1,869	-2,122	-2,023	-	-
Interest & Dividend Received	14	103	21	441	352
<b>Cash Flow from Investing Activities (b)</b>	<b>-3,266</b>	<b>-3,729</b>	<b>-6,079</b>	<b>-2,442</b>	<b>-2,272</b>
Net issuance of equity	-	4,000	-	-	-
Net borrowings	1,209	161	6,031	462	-397
Dividend paid (including tax)	-121	-	-	-63	-177
Interest expense	-414	-387	-430	-662	-634
Others	-40	-74	-46	-	-
<b>Cash Flow from Financing Activities (c)</b>	<b>634</b>	<b>3,700</b>	<b>5,555</b>	<b>-1,187</b>	<b>-1,208</b>
<b>Net change in cash (a+b+c)</b>	<b>250</b>	<b>1,099</b>	<b>1,066</b>	<b>-1,270</b>	<b>-28</b>
Opening cash balance	389	700	1,800	2,986	1,836
Cash of acquired subsidiary	61	-	120	120	120
<b>Closing Cash Balance</b>	<b>700</b>	<b>1,800</b>	<b>2,986</b>	<b>1,836</b>	<b>1,929</b>

Source: Company, SMIFS research estimates

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