

# Capital Goods-Dissecting cycle & Finding winners

VP Meet 2019

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*Disclaimer: Stocks discussed are only for educational purpose and not a recommendation*

# Capital Goods Industry

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# Capital Goods Industry: Constituents and subsectors

# BSE Classification and our focus area

Construction & Engineering	Companies engaged in construction of industrial properties. Includes civil engineering companies and large-scale contractors. Also includes manufacturers of large pipes.	
Electrical Equipment	Heavy Electrical Equipment	Manufacturers of power generating equipment and other heavy electrical equipment including power turbines, transmission towers, heavy electrical machinery intended for fixed-use and large electrical systems
	Others Electrical Equipment	Manufactures of electric cables and wires and other electrical components or equipment not classified under Heavy Electrical Equipment
Machinery	Construction, Agricultural & CV	Manufacturers of ships, trucks, buses, rolling machinery, earth-moving and construction equipment, bulldozers, farm machinery such as tractors etc.
	Industrial Machinery	Manufacturers of industrial machinery and components. Includes manufacturers of presses, machine tools, compressors, diesel and petrol engines, pollution control equipment, elevators, escalators, insulators, condensers, pumps, casings, roller bearings and other metal fabrications
	Other Industrial Goods	Manufacturers of consumables like fasteners, refractory, welding equipment, electrodes, bearings etc.
Aerospace & Defense	Aerospace	Manufacturers of civil and military aerospace and equipment and parts or products thereof
	Defense	Manufacturers of Defense equipment, Defense electronics and parts

# BSE Classification and our focus area

Segment	Count	Indicative List
Industrial Machinery	59	Cummins, ISGEC, Forbes, KIRLOSKAR BROTHERS, LMW, Grevaes Cotton, Elgi, GMM Pfauder, Stovec, Eimco, Affordable Robotic Schaeffler, KENNAMETAL, HONDA SIEL, TIMKEN, INGERSOLL-RAND, The Anup Engineering, DHP INDIA LTD.,
Other Electric Equipment	29	Honeywell, polycap, Havels, Apar, KEI, Finolex, V-Guard, HBL Power, Ram Ratan Wire, Genus Power, Kirloskar Electric, Birla Cable
Construction & Engineering	22	L&T, HCC, Welspun, RVNL, Maharastra Seamless, Techno electric, Ratanmani, Texmeco, Power mech, ITD, Ramki, Technofab
Other Industrial Goods	20	Graphite, AIA, HEG, Ador Welding, ESAB, Apcotex, SKF, Vesivius, SNL Bearing, Orient refractories, Permanent Magnet
Other Industrial Products	19	Bharat Forge, Mahindra CIE, Grindwell, Ramkrishna Forging, Nelcast, Orient Abrasives, Carborundum
Heavy Electric Equipment	18	BHEL, Siemens, KEC, Kalpataru, ABB, CG Power, Thermax, Voltamp, Scheindler, Triveni Turbine, GE Power, Inox Wind, T&R, TD Power
Defense	5	BEL, Astra Microwave, Bharat Dynamics, Apollo Microsystsem, Sika Interplant
Aerospace	2	HAL, Taneja Aerospace

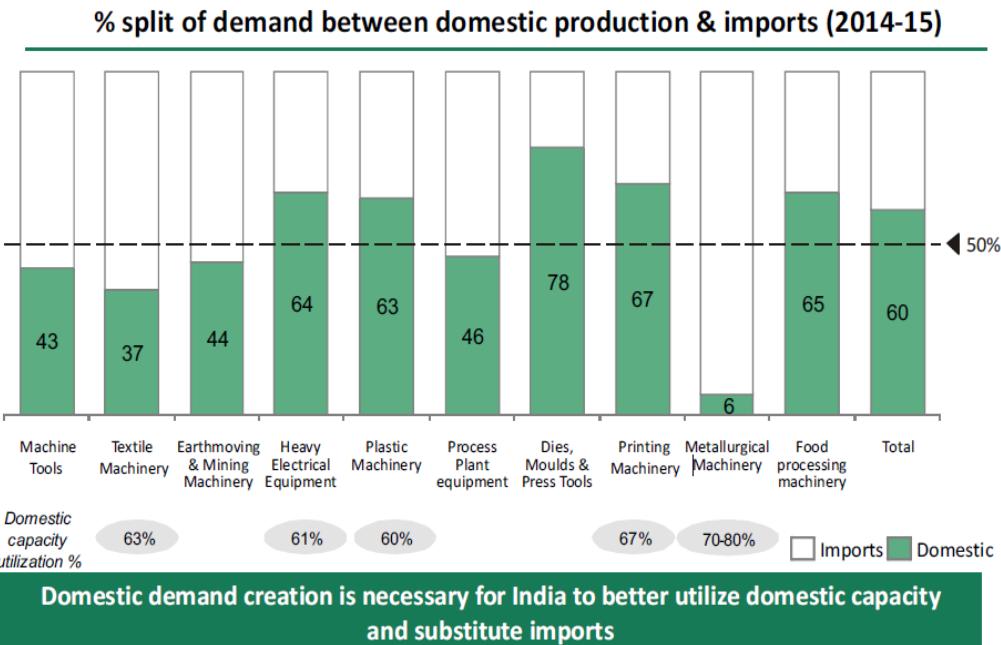
# **Sector Insights:**

- 1. Based on business cycles and gross capital formation**
- 2. Overall reading and analysis**

# Industry: Imports heavy with low Cap. utilisation

## India's demand is met by imports to a significant extent

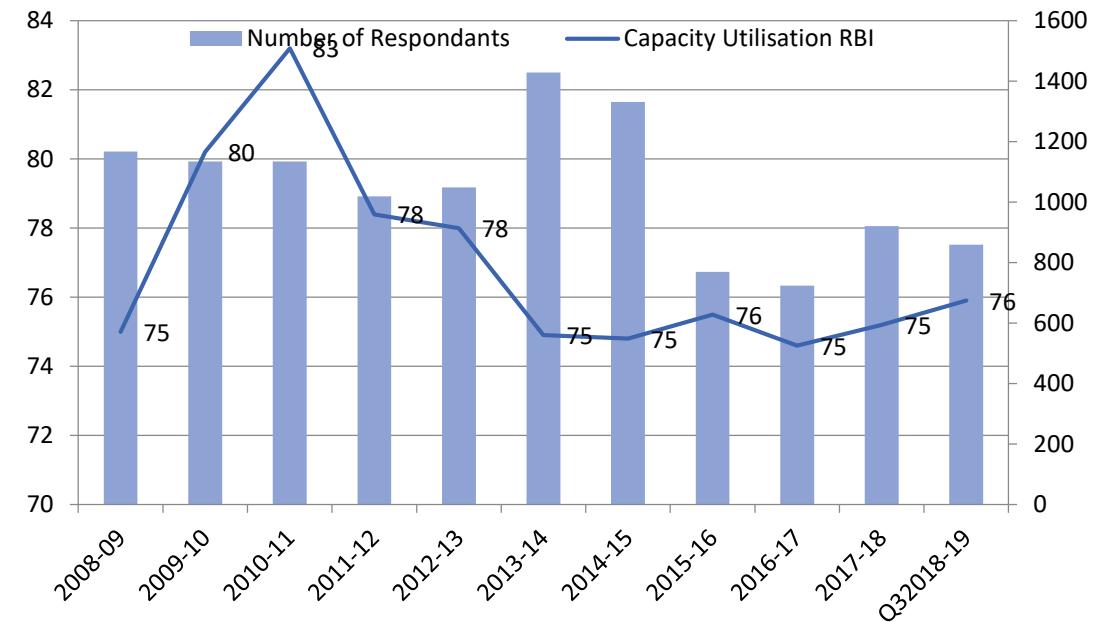
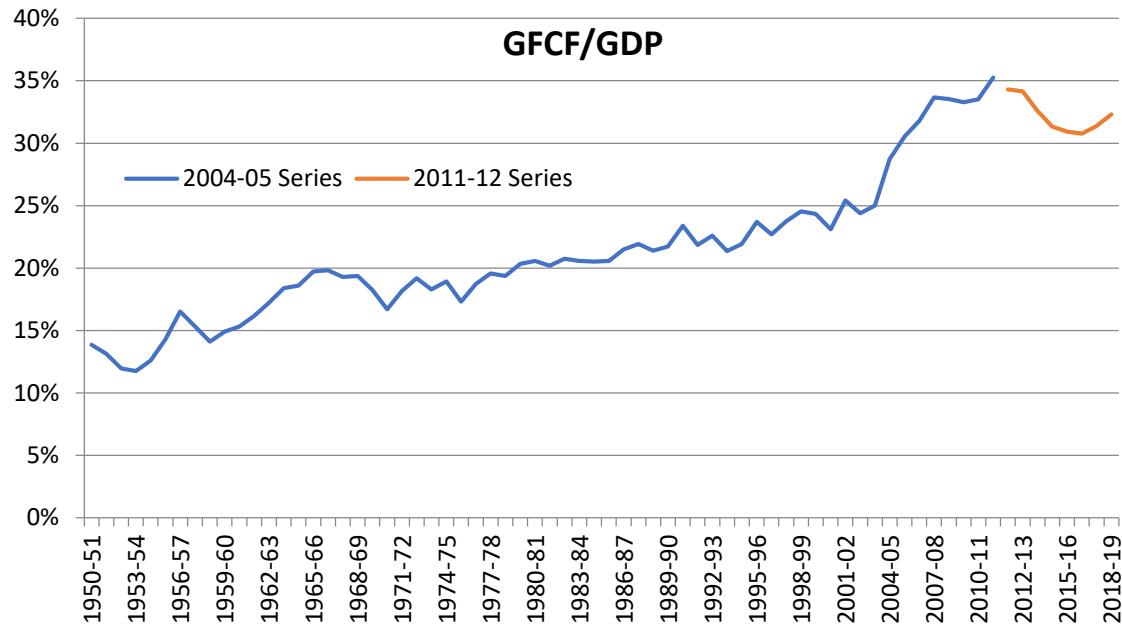
At the same time, there is only 60-70% domestic capacity utilization of facilities



Source: Data from sub-sector Industry Associations, DGCIS

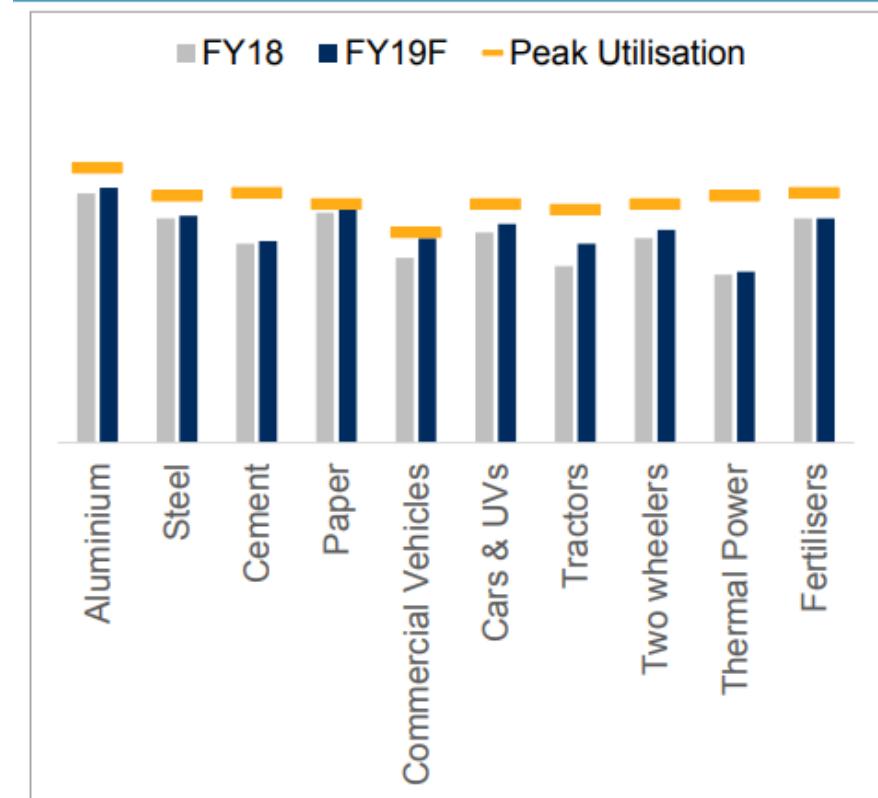
Segment	Market Size (2014-15)	Domestic Demand	Import Demand	% Exported	3 Year CAGR	3 Yr Production CAGR	Export 3 Yr CAGR
Machine Tools	9267	43%	57%	7%	-7.6%	-0.5%	16.0%
Textile Machinery	12308		63%	35%	5.1%	9.6%	17.4%
Earthmoving Mining & Construction Equipment	21671		56%	43%	-7.1%	-1.9%	17.8%
Heavy Electrical Equipment	157522		36%	26%	-5.8%	0.3%	16.1%
Plastic Machinery	3620		37%	23%	-0.8%	5.8%	10.8%
Process Plant Machinery	24149		54%	41%	-0.2%	-1.6%	14.8%
Dies, Moulds & Press Tools	15100		22%	20%	-0.3%	3%	-0.3%
Printing Machinery	19,579		33%	9%	8.0%	9.7%	9.0%
Metallurgical Machinery	2750		94%	88%	-12.3%	-1.0%	15.5%
Food Processing machinery	15,600		35%	17%	4.4%	5.4%	14.0%

# GFCF and Capacity Utilization



Gross Fixed Capital Formation (GFCF) as a per cent of GDP is considered as indicator of investment in Economy. Increase in GFCF/GDP indicate growth in economy, which would normally happen when industry has reached optimum capacity utilisation. While RBI survey indicate utilisation being higher than 70 almost for last 11 years, and GFCF/GDP above 30% for last decade, still we did not see growth in capex.

- GDP numbers, RBI Capacity utilization giving a sense of revival of Capex cycle, we have still not noticed major jump in capex. Even Economists are projecting revival of “short term” for last 24 months, we still need to see major capex growth. The critical question is “when” capex would revive rather then “why”.
- Even sector-wise capacity utilization is giving indication about likely revival in capex very soon.



Note: F= CRISIL Forecast  
Source: CRISIL Research

# But this time it may be different !!!

Industry	Unit	FY99	FY09	FY18	Peak value	Peak Year
Automobile	Rs Bn	24	121	228	228	FY18
Cement	mn tpa	8	27	16	41	FY10
FMCG	Rs Bn	10	66	77	77	FY18
Steel	mn tpa	0	6	7	13	FY13
Pharma	Rs Bn	1	90	148	191	FY17
Infrastructure	Rs Bn	3	265	89	1022	FY12
Telecom	Rs Bn	12	259	368	548	FY18
Power	BTG Order	3,763	30,891	1,980	36,516	FY08
Refining	mn tpa	43	29	9	43	FY00
New Areas ???						

Source: MOST BSE 200 Companies analysis of Capex

# Some insights from following the sector

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- To counter the downtrend in the domestic markets, few companies:
  - Expanded their international business and increased their geographical presence
    - reduced cyclicalities associated with domestic markets
  - Expanded the product basket and entered new segments
- Few of the MNC companies are seeing shift in manufacturing from their parents/other international subsidiaries to the Indian counterpart
- Difficult to extrapolate one or two year's good performance when the entire industry is in doldrums. Also, unlike infrastructure companies which have 2 – 3 year's of order book, many companies in the sector have less than one year of order book

# Separating Wheat from Chaff

# Research Approach

Also, removed:

- Super cycles – HEG, Graphite
- Pure B2C – Havells, V-guard, Polycab

Segment	Count
Industrial Machinery	59
Other Electric Equipment	29
Construction & Engineering	22
Other Industrial Goods	20
Other Industrial Products	19
Heavy Electric Equipment	18
Defense	5
Aerospace	2

384

BSE List

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BSE bhav copy Price Available

242

&gt; 10 Rs Stocks

209

Non Construction & Engineering had lot of pure road  
infra companies – Selectively removed

174

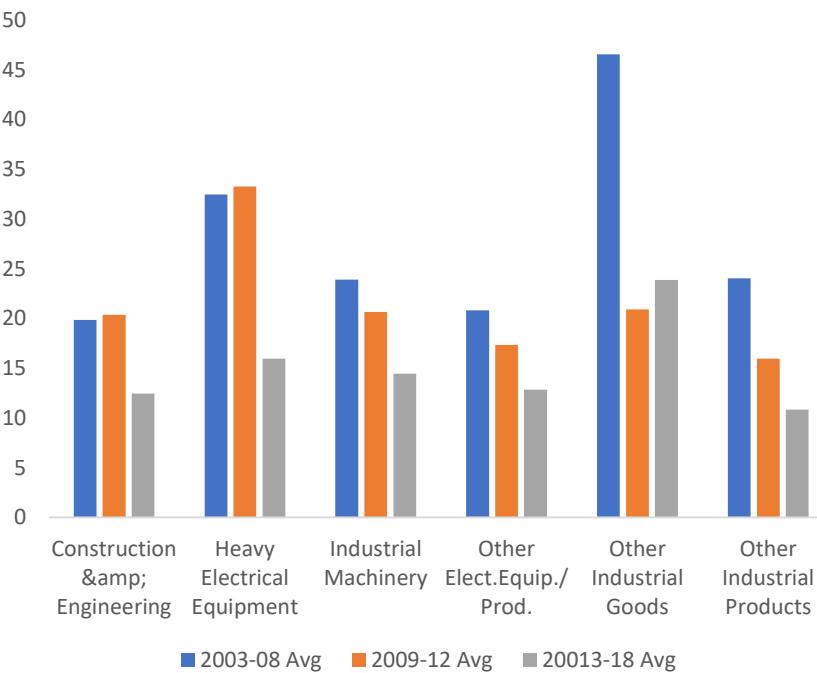
Revenue and Market Cap could be tracked. Known  
companies missing – 19 were manually collected

135

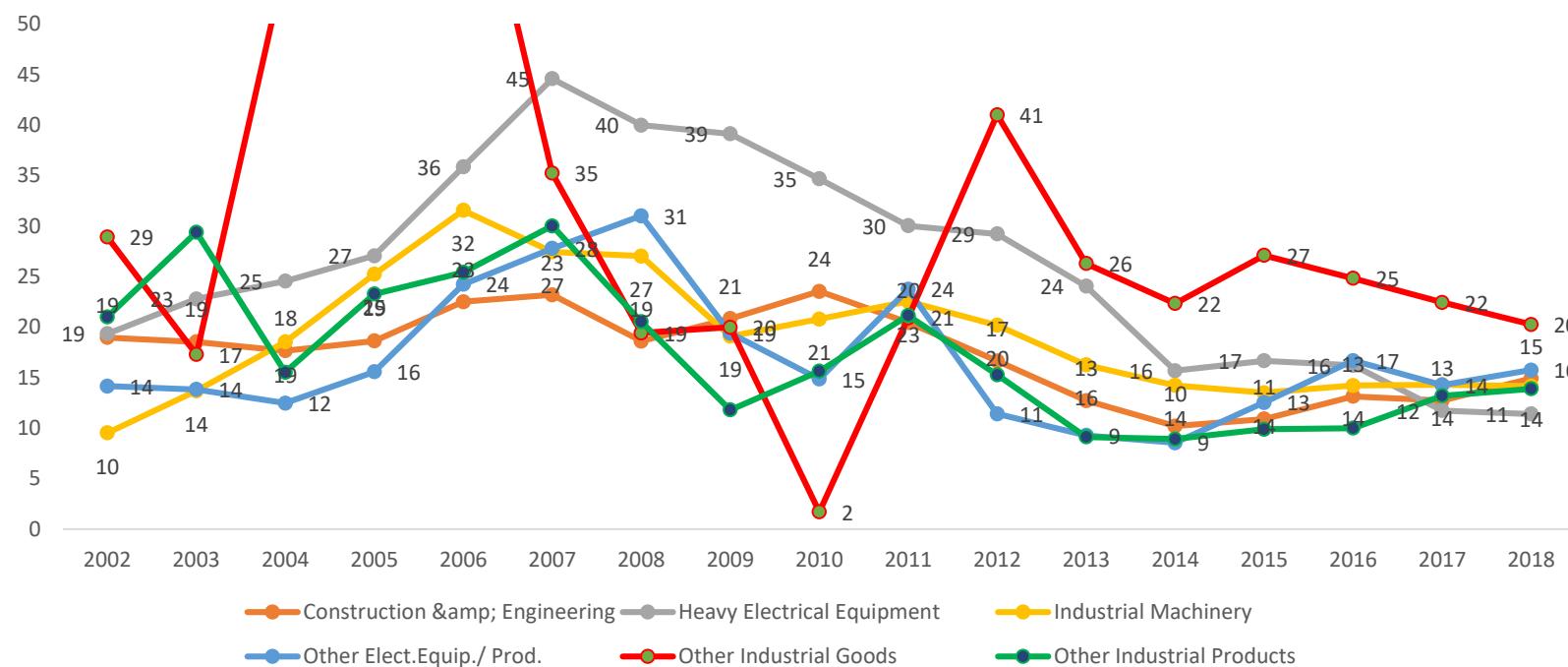
Final companies selected based on data availability and few  
more filters (D/E<5 or >0 removed, ROCE>-30% or < 200%)

# Sub-Sector Analysis: ROCE

Avg. ROCE 2003-08 vs 2009-12 vs 2013-18



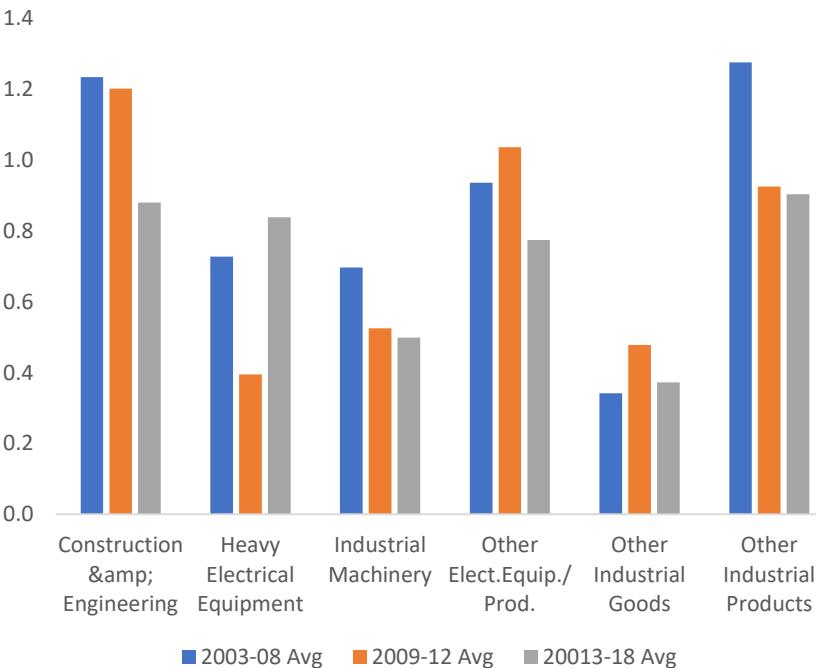
ROCE



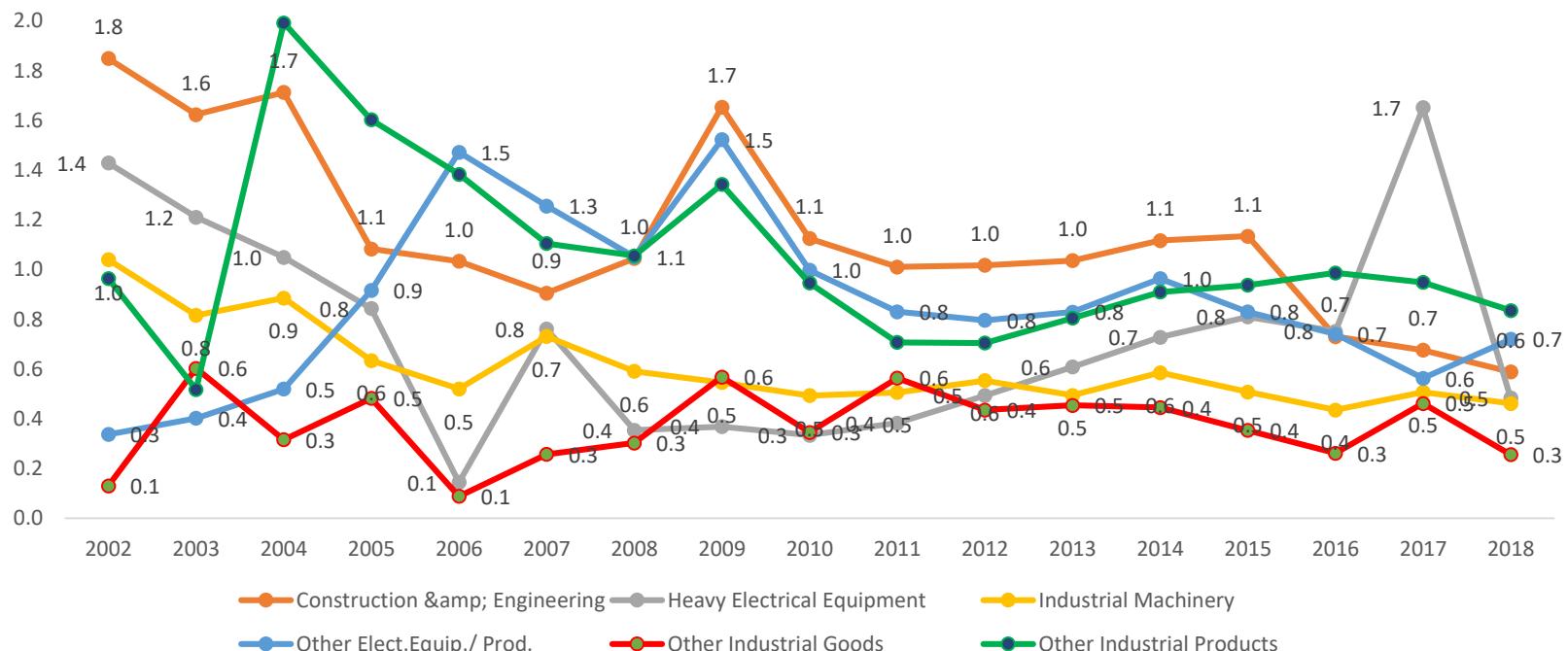
- 2003-08 were golden years and 2013-18 average is >40-50% lower for most of sub-segments from peak
- Post 2014, numbers have fallen to one of lowest in last 15 years with ROCE across all sub-segments at all time low
- “Other Industrial Goods” looks best and has shown improvement
- “Other Industrial Products” though at low on latest 5 year basis, improving year after year since 2016

# Sub-Sector Analysis: Debt to Equity

Avg. D/E 2003-08 vs 2009-12 vs 2013-18



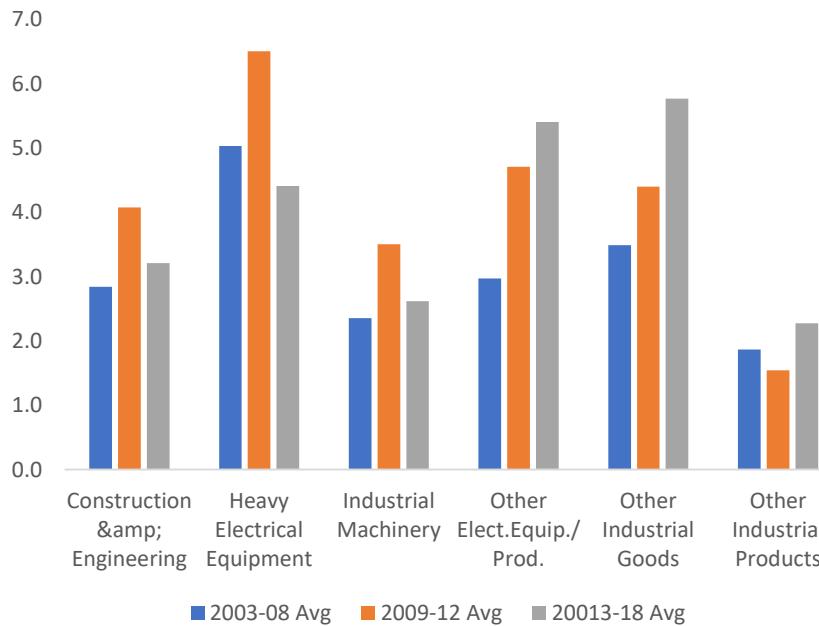
Debt Equity



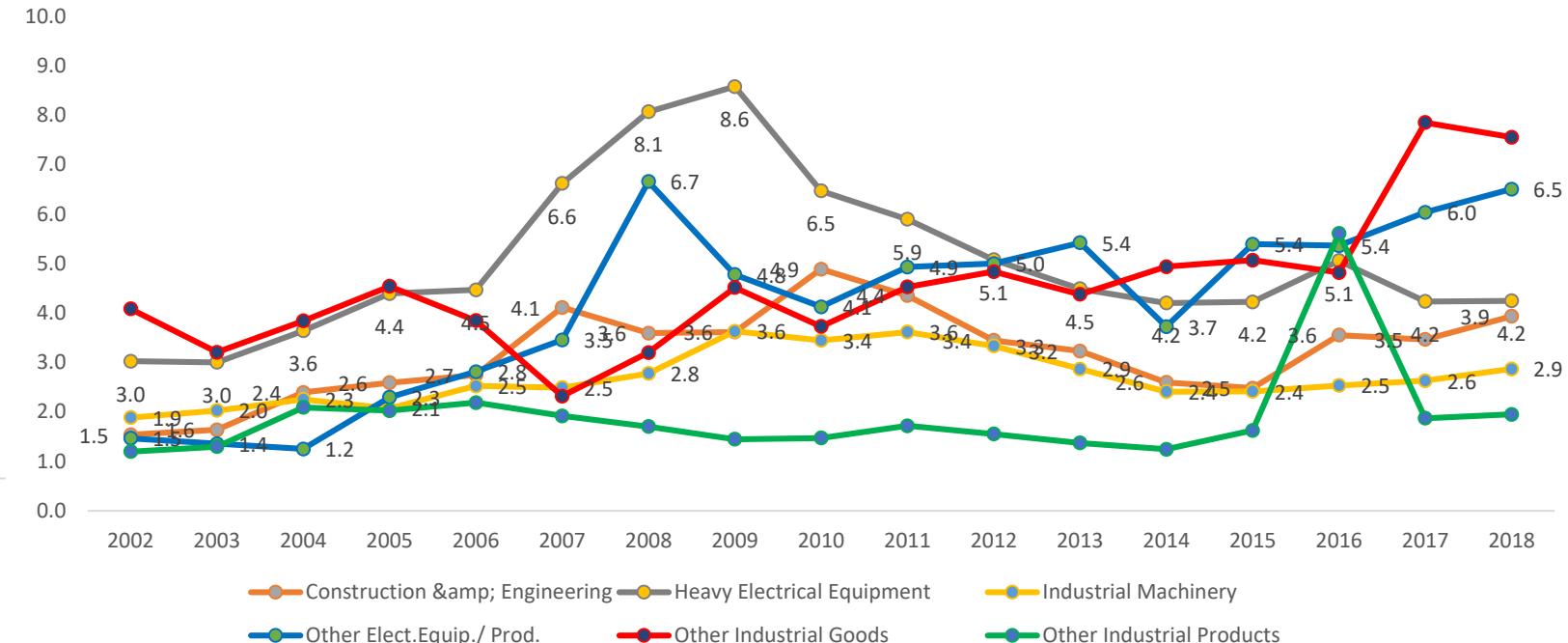
- Most of sub-sectors except “Heavy Electrical Equipment” has used this period to reduce D/E
- “Other Industrial Goods” has always remained asset light. “Industrial Machinery” comes 2<sup>nd</sup>
- “Construction & Engineering”, Other Industrial Products”, “Other Electric Equipment” has relatively been debt heavy

# Sub-Sector Analysis: Gross Asset Turns

Avg. Gross Asset Turns 2003-08 vs 2009-12 vs 2013-18



Gross Asset Turns

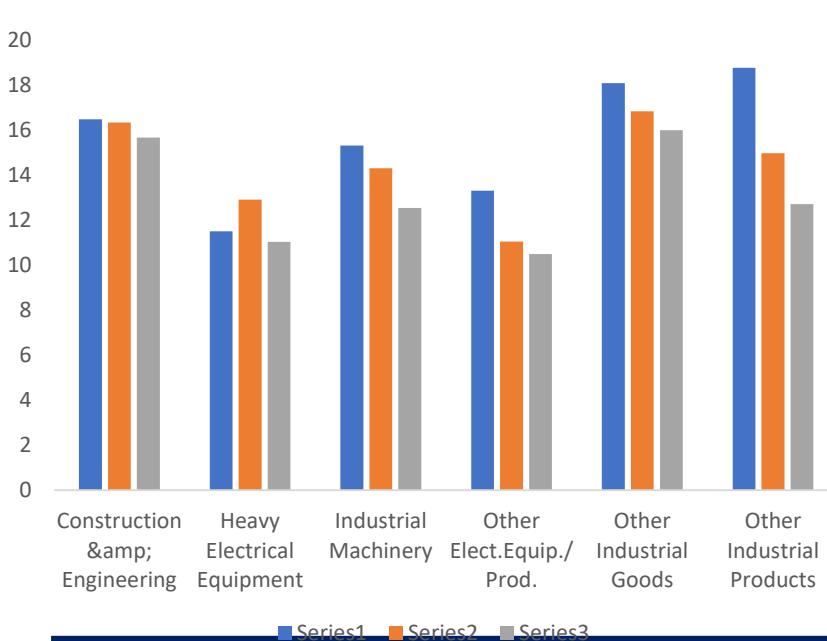


- Industrial machinery and other industrial product have low gross asset turns
- Other electric equipment and other industrial goods have higher gross asset turn and has improved continuously
- Heavy electrical equipment is at its lowest gross asset turns

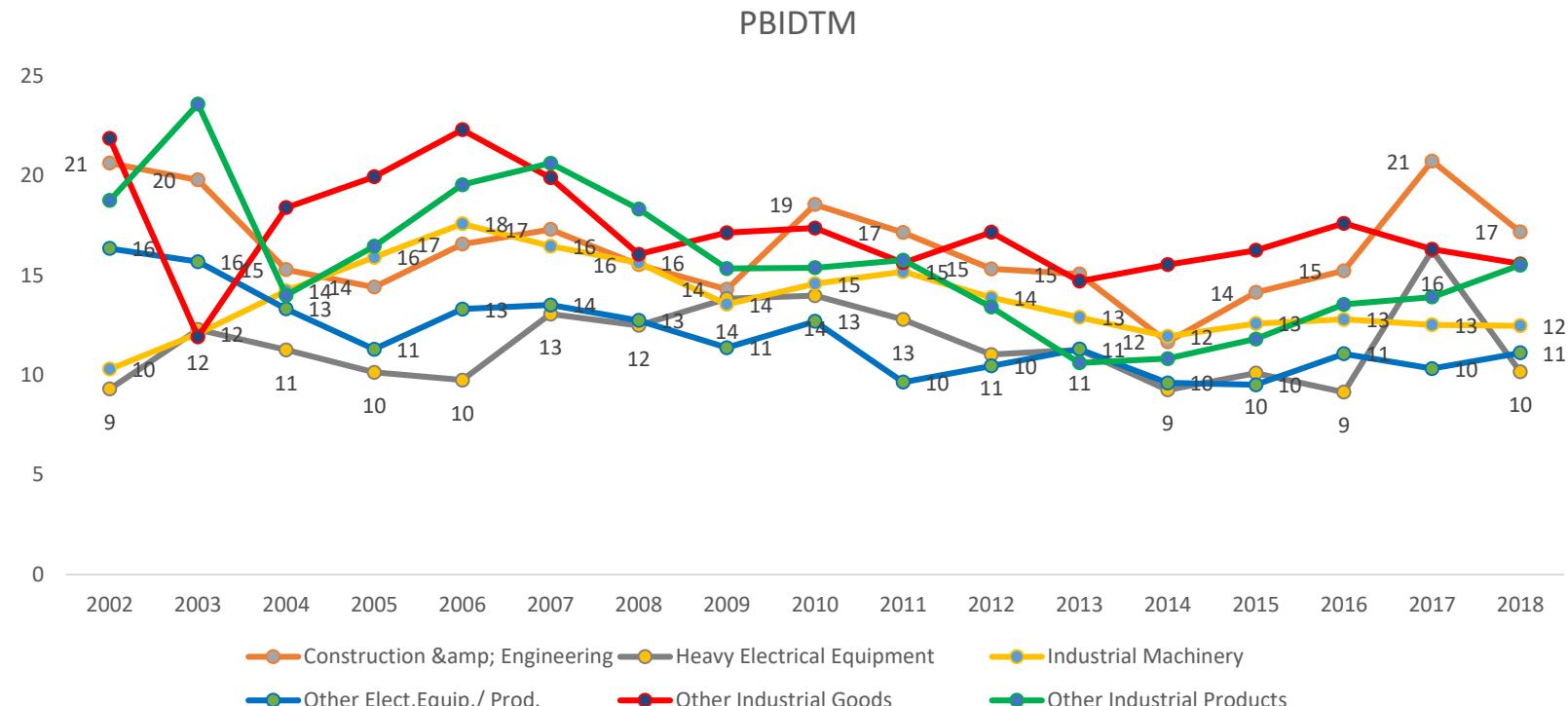
# Sub-Sector Analysis: Profitability %

Avg. PBIDTM % 2003-08 vs 2009-12 vs 2013-

18

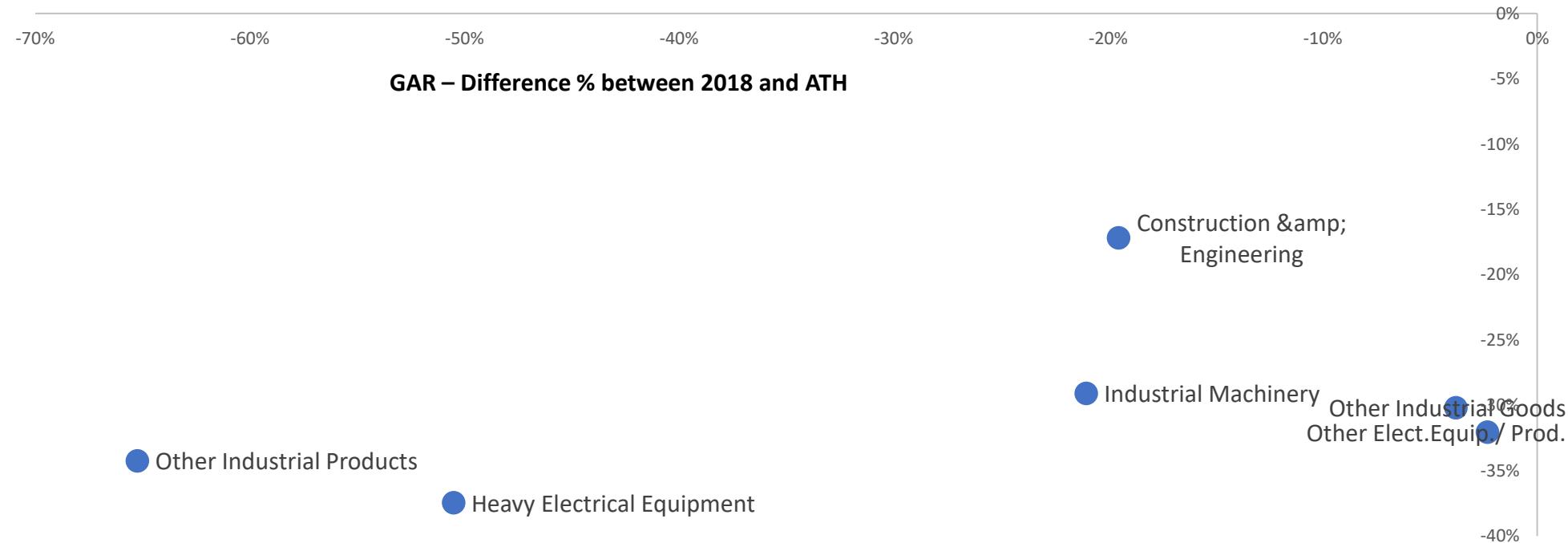


PBIDTM



- Margins have fallen for all sub-sectors
- Other industrial goods has highest margin and fall has been lower
- Other industrial products has highest margin fall

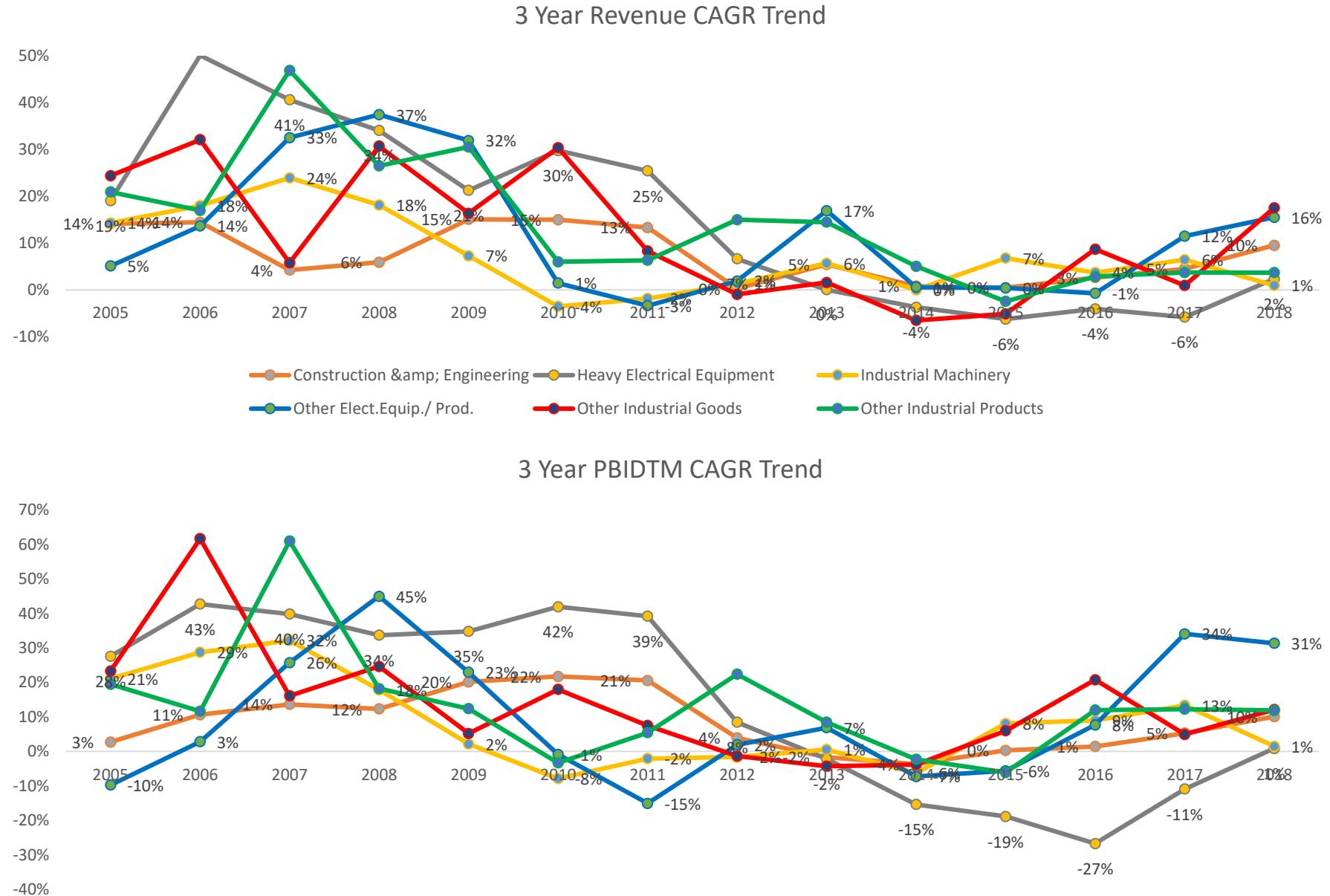
# How far operations from Peak



- All sub-sectors are down from peak margins
- Construction & Engineering least away from all ATH on both metric
- Other Industrial products and heavy electric equipment are far from their ATH on both metric
- Other Industrial goods and other electric equipment are close to ATH GAR but still far away from ATH margins
- Even though C&E and IM remains underperformer, not much expected in operating leverage

# Sub-Sector Analysis: Growth Signs

- Bottom was created between 2015 to 2017 across subsectors
- Heavy electric equipment had highest delta
- Other industrial goods recovered its margin fall in 2012 itself and revenue fall in 2015
- Other electric equipment and other electric goods had good run in last 3 years



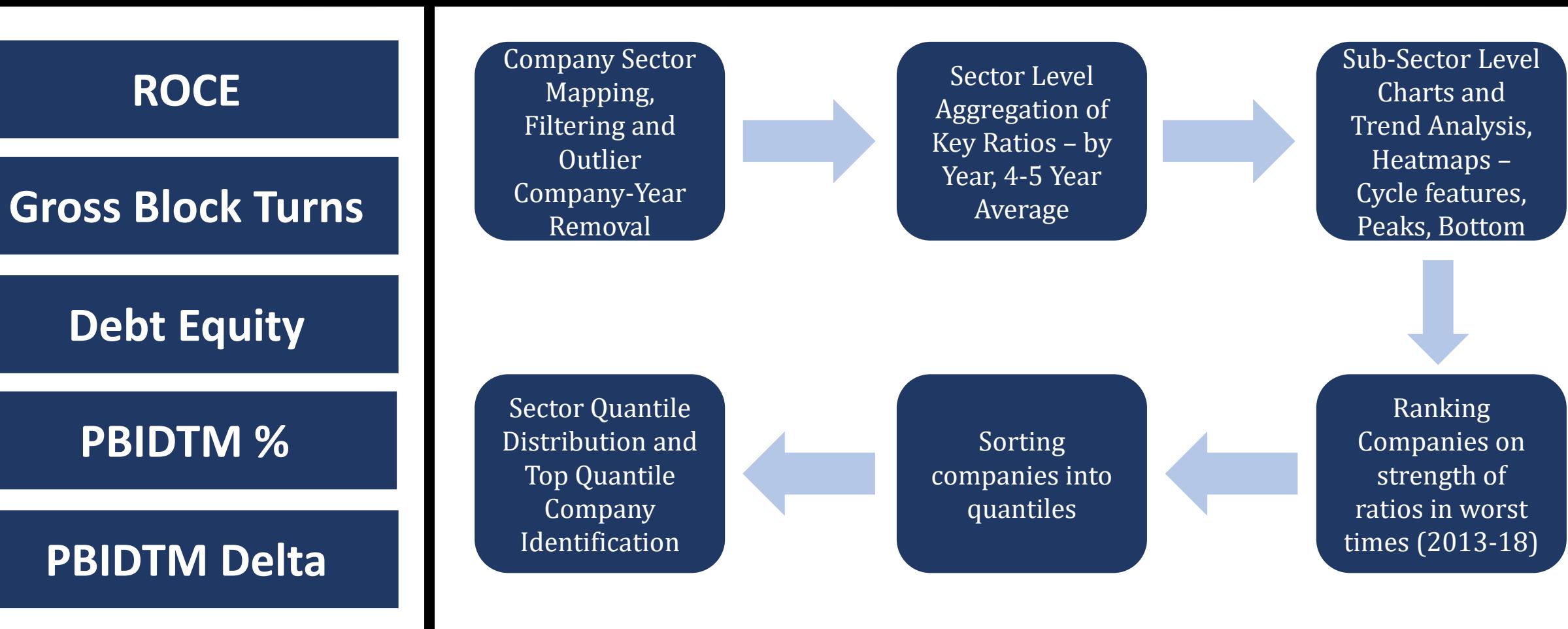
# Sub-Sector Analysis: Summary

Sub-sector	ROCE	D/E	GAR	PBITDM	3 Year Sales CAGR	3 Year PBITDM CAGR	GAR Delta	PBITDM Delta	
Construction & Engineering	12	.9	3.2	15.7	10	10	-20%	-17%	Poor financials, medium growth, some scope for operating leverage
Heavy Electric Equipment	16	.8	4.4	11.0	2	1	-51%	-37%	Average financials, growth missing but scope for operating leverage
Industrial Machinery	14	.5	2.6	12.5	1	1	-21%	-29%	Average financial, growth missing and some scope for margin improvement
Other Electric Equipment Products	13	.8	5.4	10.5	16	31	-2%	-32%	Average financial, good growth and some scope for margin improvement
Other Industrial Goods	24	.4	5.8	16.0	18	12	-4%	-30%	Superior financial, good growth and some scope for margin improvement
Other Industrial Products	11	.9	2.3	12.7	4	12	-65%	-34%	Poor financials, medium growth but high scope for operating leverage

Despite of image being a cyclic industry, there are few sub-sector/companies who have maintained respectable ROE, ROCE and leverage with or without growth

# What we find attractive in sector

## Sub-Sector Level Analysis



4-5 Year Avg Buckets: 2003-08, 2009-12, 2013-2018  
Subsector Average

# Sub-Sector and Stock Attractiveness

Sub-Sector	Top 20 Percentile	20-40 Percentile	Rest
Construction & Engineering	6%	22%	72%
Heavy Electrical Equipment	24%	24%	53%
Industrial Machinery	25%	24%	51%
Other Elect. Equip./ Prod.	10%	20%	70%
Other Industrial Goods	50%	0%	50%
Other Industrial Products	6%	18%	76%

Row Labels	Top 20 Percentile	20-40 Percentile	Rest	Grand Total
Construction & Engineering	1	4	13	18
Heavy Electrical Equipment	4	4	9	17
Industrial Machinery	13	12	26	51
Other Elect. Equip./ Prod.	2	4	14	20
Other Industrial Goods	6		6	12
Other Industrial Products	1	3	13	17
Grand Total	27	27	81	135

- Other notable companies: Anup Engineering, Solitaire machine, Kennametal, Esab
- Average ROCE of 2013-18 must be  $> 10\%$
- Average Debt Equity of 2013-18 must be  $< 1$
- Percentile within top 40%

Sub-sector financial nature

Good

Average

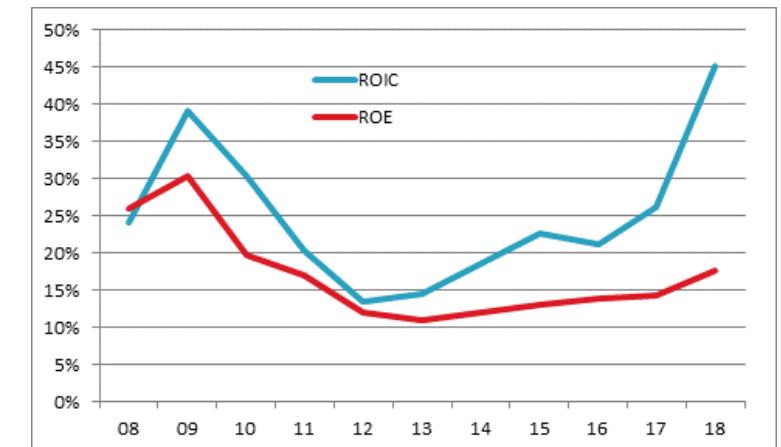
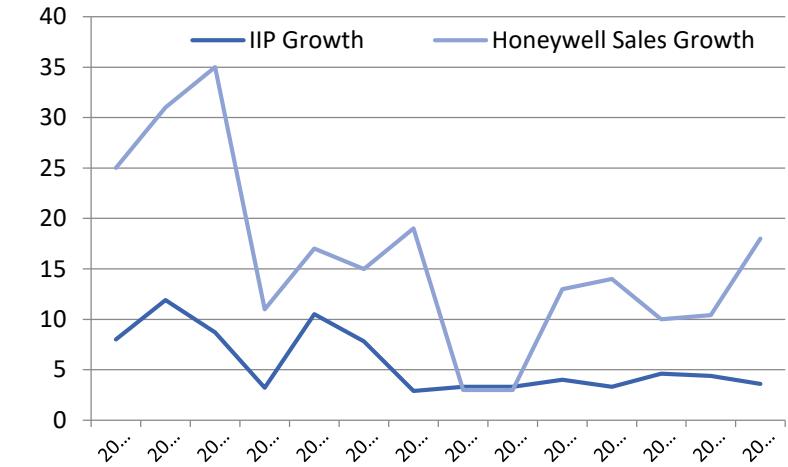
Poor

Sub-Segment	Company Name	
Construction & Engineering	Man InfraConstruction Ltd. Ratnamani Metals & Tubes Ltd.	Poor financials, medium growth, some scope for operating leverage
Heavy Electrical Equipment	GE Power India Ltd. Siemens Ltd. Triveni Turbine Ltd. VOLTAMP TRANSFORMERS LTD	Average financials, growth missing but scope for operating leverage
Industrial Machinery	Cummins India Ltd. DHP INDIA LTD GMM Pfaudler Ltd. Greaves Cotton Ltd. HONDA SIEL POWER PRODUCTS LTD Lakshmi Machine Works Ltd. SCHAEFFLER INDIA LTD STOVEC INDUSTRIES LTD	Average financial, growth missing and some scope for margin improvement
Other Elect. Equip./ Prod.	Finolex Cables Ltd. HONEYWELL AUTOMATION INDIA LTD Apar Industries Ltd.	Average financials, growth missing but scope for operating leverage
Other Industrial Goods	AIA Engineering Ltd. Morganite Crucible (India) Ltd. ORIENT REFRactories LTD SKF INDIA LTD SNL BEARINGS LTD	Superior financial, good growth and some scope for margin improvement
Other Industrial Products	Grindwell Norton Ltd. Pritika Auto Industries Ltd.	Poor financials, medium growth but high scope for operating leverage

- 75% owned Indian subsidiary of Honeywell group with dividend in three segment Process Solutions, Building Solutions and Global services.
- Positives:
  - FY18 AR: Introduced Honeywell Connected Plant – an IIoT-based unified suite of software applications
  - Sales to parent has increased significantly from 14% in CY05 to 37% in FY18.
  - Increased share of exports has relatively insulated company from domestic industrial activity
- Negatives
  - Very high valuation PE 61 times (June 18 2019, mean PE of 56 times over 22 years)
  - Multiple group companies, High dependence on promoter
  - Delay in Capex cycle

# Why Honeywell Trade at such PE?

- Despite operating in Cyclical industry, Honeywell has shown consistent growth
- Consistent Higher ROE and ROIC, comparable to FMCG companies
- Mean PE over Last 22 years is around 56 Times PE



# Why after 30% up move, it may still be a good buy?: A thought experiment

# Esab India: What if..pendulum swings?

	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013	Mar 2015	Mar 2016	Mar 2017	Mar 2018	TTM
Sales +	285	339	417	410	494	541	504	434	552	451	466	533	672
Expenses -	220	259	326	309	408	461	442	383	507	406	426	480	593
Material Cost %	59.34%	58.88%	60.9%	58.96%	63.28%	62.83%	63.96%	63%	64.66%	62.3%	63.84%	65.53%	%
Manufacturing Cost %	4.16%	3.49%	3.39%	3.4%	3.75%	4.92%	5.65%	5.07%	4.51%	4.81%	4.56%	3.14%	%
Employee Cost %	5.83%	7.23%	7.45%	6.69%	7.44%	7.87%	8.29%	9.79%	10.86%	11.02%	11.36%	11.1%	%
Other Cost %	7.87%	6.77%	6.51%	6.38%	8.22%	9.57%	9.86%	10.37%	11.83%	11.87%	11.52%	10.29%	%
Operating Profit	65	80	91	101	85	80	62	51	45	45	41	53	79
OPM %	23%	24%	22%	25%	17%	15%	12%	12%	8%	10%	9%	10%	12%

## Esab Enterprise Value: 1542

### FY19 Actual numbers @ 12% EBIDTA

	FY 19
Revenue	672
EBIDTA	79
Other Income	16
Depreciation	11
Interest	0
PBT	84
PAT	58
RoIC	51%

### FY 22 with 10% CARG top line growth EBIDTA margin of 18% in FY 22

	FY 22
Revenue	894
EBIDTA	161
Other Income	13
Depreciation	13
Interest	0
PBT	161
PAT	113
RoIC	72%

### FY 22 numbers with 15% CARG Growth EBIDTA margin of 22% in FY 22

	FY 22
Revenue	1022
EBIDTA	225
Other Income	15
Depreciation	15
Interest	0
PBT	225
PAT	158
RoIC	86%

# Kennametal...How it is playing out already??

	Jun 2007	Jun 2008	Jun 2009	Jun 2010	Jun 2011	Jun 2012	Jun 2013	Jun 2014	Jun 2015	Jun 2016	Jun 2017	Jun 2018	TTM
Sales +	353	388	305	372	507	562	490	545	570	570	652	793	921
Expenses -	288	297	258	286	369	451	451	494	510	524	594	692	785
Material Cost %	43.73%	41.26%	41.38%	36.65%	38.84%	47.26%	52.71%	53.45%	52.33%	52.8%	52.73%	52.76%	%
Manufacturing Cost %	8.96%	8.64%	9.8%	9.97%	8.58%	8.96%	10.3%	8.61%	8.39%	8.42%	9.64%	9.19%	%
Employee Cost %	15.87%	15.67%	20.7%	17.67%	16.05%	14.9%	18.23%	17.95%	17.82%	19.47%	18.77%	15.47%	%
Other Cost %	12.97%	10.94%	12.48%	12.42%	9.25%	9.11%	10.89%	10.67%	10.93%	11.26%	9.97%	9.84%	%
Operating Profit	65	91	48	87	138	111	39	51	60	46	58	101	136
OPM %	18%	23%	16%	23%	27%	20%	8%	9%	11%	8%	9%	13%	15%
Other Income	13	8	13	11	12	10	8	-5	12	9	1	0	10
Interest	1	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	13	16	19	20	23	23	27	27	26	24	28	28	28
Profit before tax	65	83	41	77	128	99	20	20	46	31	30	73	118

# TD Power – Can it turn around this time?

- Diversified from a largely steam based generator manufacturer to hydro and gas based generators and traction motor manufacturer

Particulars (Rs. Crore)	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Steam	283	344	202	143	184	187	142	157	288
Hydro	28	42	68	127	109	110	62	162	66
Diesel	24	22	16	20	34	27	24	21	28
Gas				23	41	50	97	81	40
Traction							21	0	0

- Penetrated into export markets – Reduced cyclicalty associated with domestic markets
- Added reputed clients including – Alstom (for traction motors – received 750 crore order from it) Rolls Royce and Caterpillar

# TD Power – Cont...

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- Taking various measures to reduce costs including winding down of EPC business
- Continues to maintain healthy balance sheet with net cash of ~70 crore as on March 31, 2019 despite buy back of 30 crore in FY19
- Many competitors in the export markets shutting capacity permanently – Large players like GE and Siemens have shut capacity in Europe in both energy and turbine segment
- Traction motors supply to start from FY20 onwards. FY20 – 45 crore, FY21 onwards – 100 crore per year
- Order inflow increasing with uptick in orders from steam generators in domestic and export markets

# TD Power – Projections

														Our Proj.	Man Proj.	
Narration	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Q4FY19	Mar-20	Mar-21	Mar-20	Mar-21
Sales	469	434	488	625	424	354	405	455	369	432	445	174	500	600	500	600
Expenses	415	374	415	548	378	319	366	423	352	418	422	149	452	532	435	522
Operating Profit	54	59	73	77	45	35	39	33	17	14	23	25	48	68	65	78
Other Income	8	5	7	16	26	30	17	19	18	39	11	-1	7	7	7	7
Depreciation	3	6	8	9	12	15	28	28	28	27	19	7	27	27	27	27
Interest	3	7	10	10	5	5	5	6	6	9	3	0	3	3	3	3
Profit before tax	55	52	63	74	54	46	23	17	1	17	11	17	25	45	42	55
Tax	18	19	21	24	18	12	6	2	1	5	4	6	5	14	8	17
Net profit	37	33	42	50	36	34	17	15	0	12	7	12	20	32	34	39
EPS	16.32	14.62	17.09	14.99	10.73	10.23	5.10	4.51	0.12	3.73	2.26	-	6.42	10.08	10.76	12.32
OPM	11.46%	13.67%	15.03%	12.28%	10.71%	9.90%	9.63%	7.18%	4.62%	3.30%	5.12%	14.41%	9.60%	11.33%	13.00%	13.00%

# Apar Industries

## Market Leadership

Among the largest manufacturer of Conductors, 4<sup>th</sup> largest manufacturer of transformer oil in the world and largest manufacturer of domestic cable in renewable sector.

## Diverse Portfolio

Over 400 types of specialty & automotive oils; largest range of conventional & high efficiency conductors and a comprehensive range of power & telecom cables.

## Driving growth through innovation

Pioneer in new technologies & development of value added products creating new market segments through in-house R&D programmes.

## Long term relationship with marquee customers

Multi-year relationships with Indian and global majors. Exports to 100 countries; plants strategically located close to ports.

## Strong Alliances

Brand and manufacturing alliance with ENI S.P.A Italy and technical alliance with CTC Global (USA) for manufacture of new generation carbon composite conductors.

## Robust financials

Delivering Strong Financial Performance: 13% Average ROE for last 5 years, Volumes at record levels across segments in FY19.

**FY19: Conductors deliver strong 53% growth driven by new products**

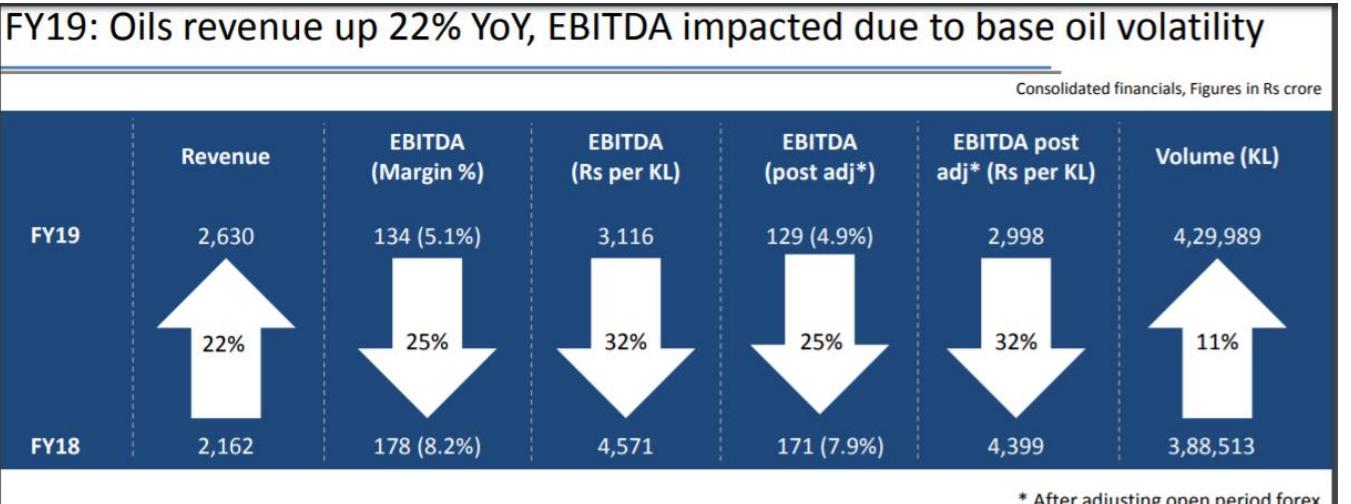
Consolidated financials, Figures in Rs crore						
	Revenue	EBITDA (Margin %)	EBITDA per MT (Rs per MT)	EBITDA (post adj*)	EBITDA post adj* (Rs per MT)	Volume (MT)
FY19	3,915	172 (4.4%)	9,387	164 (4.2%)	8,960	1,82,977
FY18	2,567	147 (5.7%)	8,818	130 (5.1%)	7,831	1,66,622

\* After adjusting open period forex

- Order book at Rs 3,020 crore, up 2.5 x from Rs 1,209 crore in FY18.
- Includes Rs 571 crore order book from Railways for Copper Conductors (new product) New order inflow of Rs 5,454 crore in FY19, up 134% YoY. Includes Copper conductor orders of Rs 1,147 crore from Railways.
- Revenue up 53% YoY. Exports contributed 40% of revenue.
- EBITDA per MT, up 14% YoY to reach Rs 8,960.

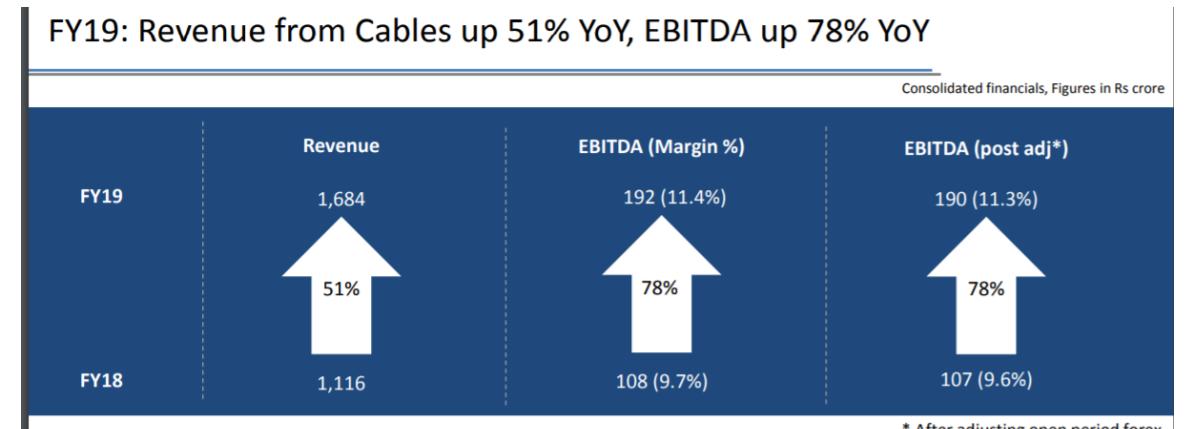
# Apar Industries

- Revenue up 22% YoY. Exports contribution at 33%. Volumes up 11% YoY to reach 4.3 lakh KL driven by both exports and domestic markets.
- Strong demand from automotive industry reflected in higher volumes of Automotive Oil (up 24% YoY to reach 41,228 KL), Industrial Oils (volumes up 24% YoY) and Rubber process oils (volumes up 14% YoY).
- Automotive Oils and Industrial Oils contributed 21%
- Hamriyah plant's capacity utilisation at 62%, volume EBITDA per KL post adj. declined 32% YoY to Rs 2,998 mainly impacted by inflationary pressure on account of Base Oils, Rupee depreciation, packing materials and additive costs.
- Profitability restored in March 2019, better margins expected in FY20.



\* After adjusting open period forex

- Revenue up 51% YoY to reach Rs 1,684 crore
- Power cables revenue up 44% YoY, driven by focus on Solar, EPC/ Utilities and Railways.
- Elastomeric & E-beam cables' revenue up 35% YoY with good demand from solar, railways and defence.
- Telecom cables/OFC revenue up 112% YoY with orders from BBNL, BSNL and Reliance Jio in the year.
- EBITDA (post adj.\* ) up 78% YoY. EBITDA margin, post forex adjustment, up at 11.3% versus 9.6% in FY18



\* After adjusting open period forex

# Apar Industries

- 2300 Cr Market Cap, 400+ Cr cash profit at peak margin, currently 225 cr cash profit at multiyear low margin
- Raw material margin pressure
- Power cost went up and has been resolved (non-availability of grid power and relied in digital)
- Asset turns has scope to grow further
- FY 20 focus is more on profitability than growth. 3% is the number management told may be possible
- Rs 150 cr capex planned

	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	TTM	3 Year Average/Sum	5 Year Average/Sum	Overall Average/Sum	
<b>PRICE:</b>	86.9	227.0	222.7	154.8	114.9	145.5	368.4	471.8	779.0	772.6	599.65				
Adjusted Equity Shares in Cr	3.2	3.2	3.2	3.6	3.8	3.8	3.8	3.8	3.8	3.8	3.83	15729	25465	38937	
Revenue	2605	2213	3027	3589	4643	4628	5108	5078	4832	5818	7964				
Other Income	73.9	58.4	25.3	47.2	-1.0	4.5	1.8	10.1	16.0	11.1	15.1	37	43	173	
Expense	2583	2174	2808	3491	4365	4341	5023	4591	4543	5391	7496	14525	23890	36727	
Other Expense	30.9	85.0	16.1	30.9	46.4	39.7	33.7	51.9	59.8	56.8		169	242	420	
Receivables	513.3	424.3	688.9	865.4	813.8	1103.6	1267.0	1090.4	1254.3	1727.9		4073	6443	9236	
Inventory	363.5	439.2	492.6	683.5	751.5	1017.0	944.3	769.8	993.5	1212.3		2976	4937	7304	
Invested Capital	441	445	952	1514	1611	1488	1224	1238	1341	1471					
PAT	-5.3	24.4	95.3	73.0	109.5	89.9	49.5	121.7	176.6	144.7	136.1	443	582	885	
CFO	225.1	-65.2	47.8	24.9	453.3	-632.0	298.4	411.8	312.4	225.0		949	616	1076	
CAPEX		-40.0	23.9	44.0	126.0	95.2	59.3	86.9	192.6	122.3		402	556	710	
Dividend	0.0	16.2	19.4	14.4	20.2	20.2	13.5	25.0	38.3	36.4		100	133	203	
FCF including Dividend	-25.2	23.9	-19.0	327.3	-727.2	239.2	324.8	119.8	102.8			547	59	366	
Enterprise Value	-168	407	907	718	371	1121	1812	2067	3163	3045	2383				
Revenue Growth		-15%	37%	19%	29%	0%	10%	-1%	-5%	20%					
PAT Growth		-559%	290%	-23%	50%	-18%	-45%	146%	45%	-18%					
Receivables as a % of Sales	20%	19%	23%	24%	18%	24%	25%	21%	26%	30%		26%	22%	22%	
Inventory as a % of Sales	14%	20%	16%	19%	16%	22%	18%	15%	21%	21%		19%	18%	18%	
PAT Margin	-0.2%	1.1%	3.1%	2.0%	2.4%	1.9%	1.0%	2.4%	3.7%	2.5%	1.7%		3%	2%	2%
Tax Rate	-190%	56%	38%	3%	27%	30%	32%	32%	36%	35%		52%	43%	44%	
CFO-PAT	230.4	-89.6	-47.5	-48.1	343.9	-721.9	248.9	290.1	135.9	80.3		506.2	33.2	191.8	

Fixed Asset Turnover

11.5 12.4 17.0 19.4 17.6 12.9 12.9 12.8 8.4 9.0



# Thank You