

India

HOLD (no change)

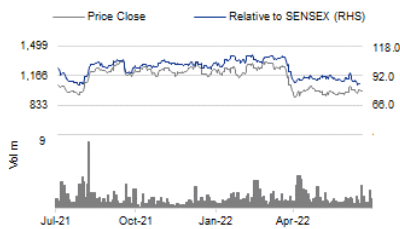
Consensus ratings*: Buy 20 Hold 13 Sell 8

Current price:	Rs1,000
Target price:	Rs1,020
Previous target:	Rs1,090
Up/downside:	2.0%
InCred Research / Consensus:	-8.6%
Reuters:	VOLT.NS
Bloomberg:	VOLT IN
Market cap:	US\$4,164m
	Rs330,934m
Average daily turnover:	US\$18.9m
	Rs1504.1m
Current shares o/s:	330.8m
Free float:	69.7%

*Source: Bloomberg

Key changes in this note

- FY23F-24F revenue raised by 1%-4%.
- FY23F-24F EBITDA cut by 14%-15%.
- FY23F-24F EPS cut by 17%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	4.4	(13.6)	(4.3)
Relative (%)	(4.8)	(17.4)	(10.6)

Major shareholders	% held
Promoter (Tata Sons Ltd)	30.3
Life Insurance Corporation	6.6
Mirae Asset Mutual Fund	2.5

Analyst(s)



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Voltas Ltd

Regains market share but margin dips more

- 1QFY23 large EBITDA miss was led by a fall in UCP margin because of intense competition, higher ad spends, and also due to losses in the EMP segment.
- Voltas expects complete market share recoup by Aug 2022F, but we expect margin revival to be gradual due to competitive intensity.
- Reiterate Hold rating on the stock with a lower target price of Rs1,020.

Substantial miss in margins in two key segments

1QFY23 sales (+55% yoy) of Voltas were in line with our estimate as a 7% beat in unitary cooling products (UCP) sales (+125% yoy, +111% volume growth) was offset by the miss in the electromechanical project (EMP) segment's sales by 21%. EBITDA margin at 6.4% (-121bp yoy) missed our estimate of 9.2%, impacted by a) weak UCP segment's EBIT margin of 7.7% (-287bp qoq) vs. our estimate of 11% because of aggressive competition, higher advertising expenditure and high-cost inventory, and b) losses in the EMP segment due to cost overrun and contingency provision. PAT (-11% yoy) missed our estimate by 47% on lower EBITDA and other income, and also higher joint venture or JV losses.

Regains most of the lost market share qoq

Voltas regained market share on a qoq basis with the exit market share at 24.2% in Jun 2022 vs. 18% in Mar 2022 aided by a pick-up in North India and regaining some share in South India. Voltas' MS is ~950bp ahead of its close competitor, and it also took the leadership position in inverter ACs (market share of 21.8%, 300bp over LG). Voltas expects to go back to 25-26% market share by Aug 2022F. Inventories stood at 30-40 days for dealers/distributors, while company-level inventory is higher (~Rs10bn) to take care of new label change in ACs from Jul 2022 (where cost increase is to the tune of 1.8-2.3%).

UCP margin revival could be gradual due to competitive intensity

UCP segment's qoq margin decline was largely led by higher ad spending while gross margin was stable. Margin impact of softening in commodity prices will get reflected from 3QFY23F as the company signed new contracts with suppliers. If competitors pass on the benefits of lower prices to customers, margin pressure will sustain. In the EMP segment, Voltas expects margins to claw back to 4-5% as it recovers some of contingencies. Advertisement spends also hit Voltbeko EBITDA margin, but gross margin saw a recovery.

Reiterate Hold rating on the stock

We have a positive view on structural growth for ACs as a consumer category over the next few years. Due to near-term competitive and margin pressures, we have cut our FY23F-24F EPS by 17-18% and reduced the target price to Rs1,020 (from Rs1,090 earlier) as we rollover to Sep 2024F ex-JV EPS (based on 37x at 5-year avg.). Historically, Voltas has faced such competitive pressure and made a strong comeback. However, near-term concerns and a rich valuation led us to retain our Hold rating on Voltas. Regaining margins is an upside risk, while continued competitive pressure is a downside risk.

Financial Summary	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue (Rsm)	75,558	79,345	96,615	106,171	119,547
Operating EBITDA (Rsm)	6,414	6,816	7,494	9,076	11,187
Net Profit (Rsm)	5,288	5,060	5,641	7,033	8,824
Core EPS (Rs)	16.0	15.3	17.0	21.3	26.7
Core EPS Growth	(7.6%)	(4.3%)	11.5%	24.7%	25.5%
FD Core P/E (x)	62.58	65.40	58.66	47.05	37.50
DPS (Rs)	4.0	5.0	7.0	8.0	8.0
Dividend Yield	0.40%	0.50%	0.70%	0.80%	0.80%
EV/EBITDA (x)	47.12	43.45	39.75	32.72	26.36
P/FCFE (x)	132.99	149.44	209.51	74.50	60.32
Net Gearing	(57.9%)	(63.5%)	(56.9%)	(54.4%)	(52.6%)
P/BV (x)	6.63	6.02	5.67	5.28	4.80
ROE	11.4%	9.6%	10.0%	11.6%	13.4%
% Change In Core EPS Estimates			(17.42%)	(17.35%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Regains market share but margin dips more 1QFY23 results

Key conference-call highlights ►

Unitary cooling products (UCP) segment

- **Room AC volume:** Primary sales volume was still down by 10-12% vs. 1QFY20 level for Voltas and the decline would have been higher for market as Voltas has gained market share. Secondary sales volume was at 1.3m units in Apr 2022, 1m units in May 2022, and 7,50,000 units in Jun 2022.
- **Market share:** North and South India were major contributors to growth in 1QFY23. 4QFY22 market share loss was due to some market share loss in South India and supply chain problems in select categories, which has recovered and led to an improvement in market share. Exit market share of Voltas was 24.2% in Jun 2022, which was 950bp ahead of its close competitor. Voltas also took leadership position in inverter ACs with a market share of 21.8%, 300bp over LG. The company expects to go back to 25-26% market share by Aug 2022F. Lloyd retains its third position on a qoq basis, while Samsung could have lost some market share.
- **Margins:** 1QFY23 UCP segment's margins were impacted by high procurement cost of inventory sold during the season, disruptive pricing by competitors and a normalized advertisement spending. Advertisement spends were high at 3-3.5% of sales in 1QFY23, which also impacted margins on a qoq basis. Gross margin remained intact on a qoq basis, and the dip was mainly led by advertisement spends. All competitors have withheld price hikes. Voltas does not see a price hike soon. Margins on new contracts signed by the company with suppliers post softening of commodity prices will reflect from 3QFY23F. With new procurement cycle, Voltas, being the leader, will lead in price hikes. If competitors pass on softening commodity prices to customers, margin pressure will sustain.
- **Inventories:** They stood at 30-40 days for dealers/distributors. Company-level inventory was slightly higher to take care of new label change in ACs from Jul 2022. Inventory would be ~Rs10bn, mainly on the raw material side and marginally in case of finished goods.
- **Inverter AC share in split AC:** It increased to 82% in 1QFY23 vs. 70% in 1QFY22.
- **Label changes in ACs from Jul 2022:** It would lead to a 1.8-2.3% increase in cost.
- **On Highly JV:** Government approvals are on slow track due to political dispensations as Highly is a China-based entity.
- **Commercial refrigeration:** This segment grew 138% yoy and posted a 20% growth over 1QFY20 led by expansion of the market for tier 3-4 and new products. Commercial AC turnover grew 50% over 1QFY22.
- **Capex:** It would be Rs400-450?? in FY23F led by capex in room ACs, commercial refrigeration and productivity-linked incentive or PLI scheme-linked capex. Capex related to Voltbeko and compressors are not included in these numbers. South India plant to start production from 3Q-4QFY24F.

Voltbeko Home Appliances Pvt. Ltd

- Voltbeko also witnessed higher advertisement spends in 1QFY23, impacting EBITDA margin but has seen a gradual recovery in gross margin.
- Voltbeko's sales growth was 50% yoy in 1QFY23. Committed to get 10% market share by 2025F.

Electro-mechanical project segment

- **Losses:** Builds up contingencies in projects due to cost escalation and time extensions. Voltas could recover cost escalation due to time extension by negotiations with clients and this could lead to margin recovery. Margins could be in the range of 4-5% in FY23F.
- **Restructuring of business:** It is mainly to increase focus on projects business where the company sees strong potential.

Figure 1: Consolidated results summary

(Rs m)	1QFY23	1QFY22	yoy % chg	4QFY22	qoq % chg	FY22	FY21	yoy % chg	1QFY23E	change (%)
Net Sales	27,680	17,852	55.1	26,666	3.8	79,345	75,558	5.0	27,469	0.8
Net Raw Material consumed	21,993	12,877	70.8	20,588	6.8	58,967	55,785	5.7	20,849	5.5
Personnel	1,505	1,474	2.1	1,600	(5.9)	6,176	6,017	2.6	1,621	(7.1)
Other Expenses	2,413	2,143	12.6	1,868	29.1	7,386	7,343	0.6	2,472	(2.4)
Total Expenditure	25,910	16,494	57.1	24,056	7.7	72,529	69,144	4.9	24,942	3.9
EBITDA	1,770	1,358	30.4	2,610	(32.2)	6,816	6,414	6.3	2,527	(30.0)
Less: Depreciation	85	86	(1.4)	95	(10.2)	373	339	9.9	98	(13.4)
EBIT	1,685	1,272	32.5	2,516	(33.0)	6,443	6,075	6.1	2,429	(30.6)
Less: Interest	40	35	13.7	125	(68.2)	259	262	(1.1)	36	10.6
Add: Other income	268	750	(64.3)	372	(28.1)	1,892	1,889	0.2	700	(61.8)
Profit Before tax	1,913	1,986	(3.7)	2,762	(30.8)	8,076	7,702	4.9	3,093	(38.2)
PBT excl. extraordinary	1,913	1,986	(3.7)	2,762	(30.8)	8,076	7,702	4.9	3,093	(38.2)
Less: Total Tax	508	456	11.3	647	(21.5)	1,913	1,804	6.0	773	(34.3)
Minority Interest	6	6	0.0	0		19	37	(47.7)	0	
Share of profit of JV/ associate	(310)	(306)	(1.2)	(289)	(7.3)	(1,103)	(610)	(80.9)	(250)	(23.8)
Profit After Tax	1,089	1,218	(10.6)	1,827	(40.4)	5,041	5,251	(4.0)	2,070	(47.4)
PAT excl. extraordinary	1,089	1,218	(10.6)	1,827	(40.4)	5,041	5,251	(4.0)	2,070	(47.4)
Other comprehensive income	224	(160)		716		1,698	3,219		-	
Total comprehensive income	871	1,064	(18.1)	2,543	(65.8)	6,758	8,470	(20.2)		
Diluted Shares Outstanding (m)	331	331		331		331	331		331	
Reported EPS (Rs)	3.3	3.7	(10.6)	5.5	(40.4)	15.2	15.9	(4.0)	6.3	(47.4)
Proforma EPS (Rs)	3.3	3.7	(10.6)	5.5	(40.4)	15.2	15.9	(4.0)	6.3	(47.4)
Margin Analysis			yoy bp chg		qoq bp chg			yoy bp chg		
EBITDA Margin (%)	6.4	7.6	(121)	9.8	(339)	8.6	8.5	10	9.2	
EBIT Margin (%)	6.1	7.1	(104)	9.4	(335)	8.1	8.0	8	8.8	
PBT Margin (%)	6.9	11.1	(422)	10.4	(345)	10.2	10.2	(1)	11.3	
Proforma NPM	3.9	6.8	(289)	6.9	(292)	6.4	7.0	(60)	7.5	
Effective Tax Rate (%)	26.6	23.0	359	23.4	314	23.7	23.4	26	25.0	
Cost Analysis										
Raw Material (% of revenue)	79.5	72.1	732	77.2	225	74.3	73.8	49	75.9	
Other Expenses (% of revenue)	8.7	12.0	(329)	7.0	171	9.3	9.7	(41)	9.0	
Personnel (% of revenue)	5.4	8.3	(282)	6.0	(56)	7.8	8.0	(18)	5.9	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Consolidated segmental performance

Revenues (Rs m)	1Q FY23	1Q FY22	yoy % chg	4Q FY22	qoq % chg	FY22	FY21	yoy % chg
Electro-mechanical Projects and Services	4,547	6,884	(34.0)	6,918	(34.3)	24,705	28,786	(14.2)
Engineering Products and Services	1,243	1,151	8.1	1,235	0.7	4,887	3,595	35.9
Unitary Cooling Products	21,622	9,631	124.5	18,184	18.9	48,819	42,185	15.7
Less : inter segment								
Total Revenue	27,412	17,666	55.2	26,337	4.1	78,411	74,566	5.2
EBIT (Rs m)								
Electro-mechanical Projects and Services	-125	306		476		1258	270	365.6
Engineering Products and Services	509	379	34.2	408	24.7	1,579	1,143	38.1
Unitary Cooling Products	1,662	1,180	40.8	1,919	(13.4)	5,134	5,837	(12.0)
Total	2,046	1,865	9.7	2,803	(27.0)	7,971	7,250	9.9
EBIT Margin (%)								
Electro-mechanical Projects and Services	(2.7)	4.4		6.9		5.1	0.9	415
Engineering Products and Services	40.9	32.9	798	33.0	787	32.3	31.8	52
Unitary Cooling Products	7.7	12.3	(457)	10.6	(287)	10.5	13.8	(332)
Total EBIT margin	7.5	10.6	(309)	10.6	(318)	10.2	9.7	44
Capital Employed (Rs m)								
Electro-mechanical Projects and Services	10,972	11,719	(6.4)	10,621	3.3			
Engineering Products and Services	631	470	34.4	544	16.0			
Unitary Cooling Products	3,413	8,343	(59.1)	5,733	(40.5)			
Unallocated	39,420	30,831	27.9	38,478	2.4			
Total	54,437	51,363	6.0	55,376	(1.7)			

SOURCE: INCRED RESEARCH, COMPANY REPORTS

1QFY23 results highlights ➤

- 1QFY23 sales at Rs27.7bn (+55% yoy) were in line with our estimate (3% below consensus estimate). UCP segment's sales stood at Rs21.6bn (+125% yoy; 111% volume growth), 7% above our estimate, aided by high demand due to heat wave across India and revival in market share, while the electromechanical project (EMP) segment's sales at Rs4.5bn (-34% yoy) missed our estimate by 23% due to lower carry-forward order book.
- Exit market share of Voltas in room ACs stood at 24.1% as at end-Jun 2022, which saw strong revival on a qoq basis.
- 1QFY23 EBITDA at Rs1.77bn (+30% yoy) was 30% below our estimate (34% below consensus estimate).
- EBITDA margin at 6.4% (-121bp yoy, -339bp qoq) was below our estimate of 9.2% and consensus estimate of 9.5% due to decline in gross margin (-732bp yoy, -225bp qoq).
- UCP segment's EBIT margin at 7.7% (-457bp yoy, -287bp qoq) was below our estimate of 11%, which is the lowest 1Q EBIT margin in several years due to aggressive competition. Margins were further impacted by EBIT losses of Rs125m in the EMP segment due to cost overrun/ provision in some projects.
- Capital employed in the UCP segment as at end-1QFY23 stood at a mere Rs3.4bn (-59% yoy, -41% qoq).
- Other income was down 64% yoy at Rs268m vs. our estimate of Rs700m.
- PBT, excluding exceptional and share of JV loss/ minority, stood at Rs1.9bn (-4% yoy), 38% below our estimate, on lower EBITDA margin and other income.
- Share of JV/ associate companies' loss stood at Rs310m vs. Rs306m loss in 1QFY22 and Rs289m loss in 4QFY22 (our estimate of JV loss at Rs250m) due to loss in its JV, Voltbeko.
- Tax rate for the quarter stood at 26.6% vs. our estimate of 25%.
- Accordingly, core PAT at Rs1.1bn (-11% yoy) was 47% below our estimate (40% below consensus estimate) due to lower-than-estimated EBITDA and other income and higher-than-estimated loss suffered by JV.

Order backlog:

- Order backlog at the end of 1QFY23 stood at Rs58.1bn (-6% yoy, +8% qoq).
- Order inflow in 1QFY23 stood at Rs6.6bn.

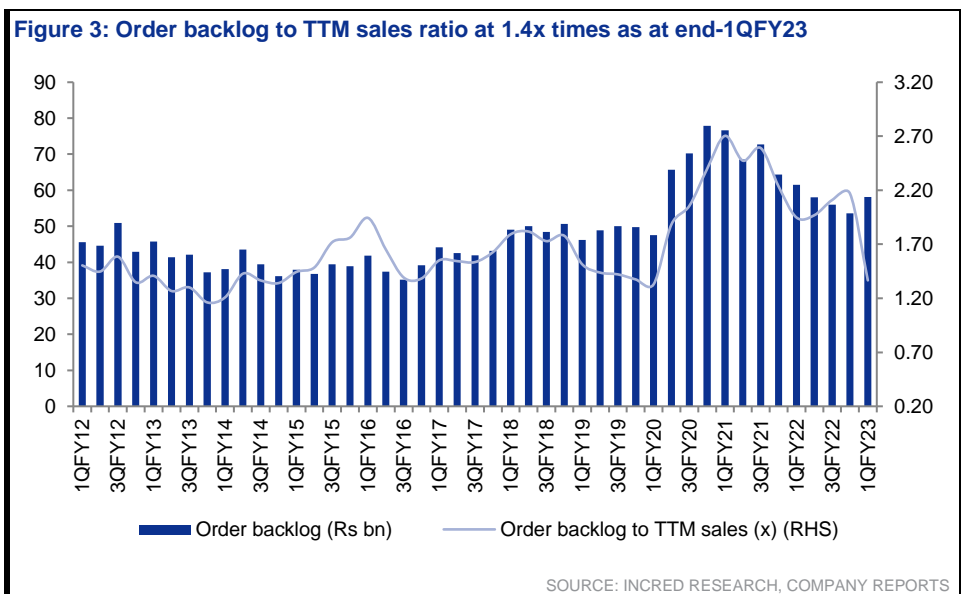


Figure 4: EMP segment's revenue declined by 34% yoy in 1QFY23, with negative EBIT

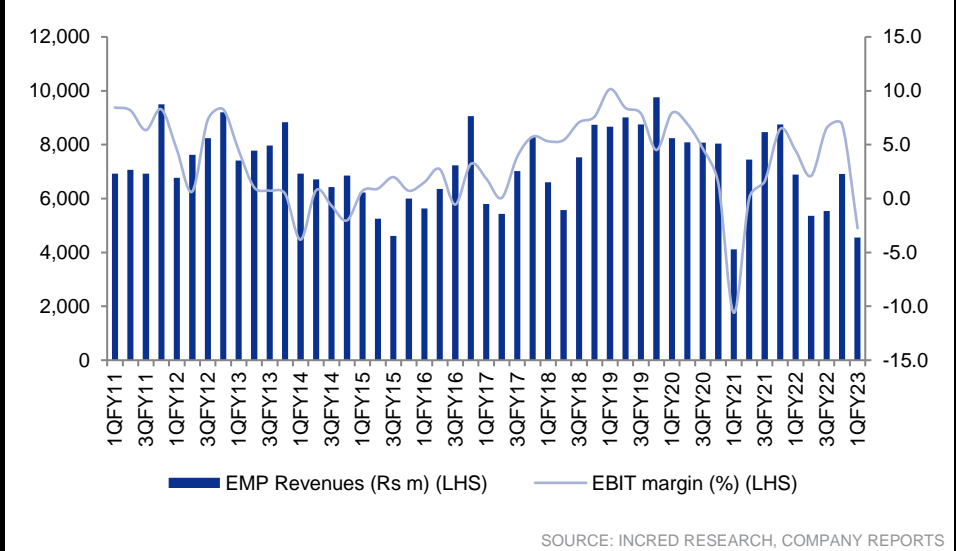


Figure 5: EMP segment registered a margin of -2.3% in 1QFY23 vs. 4.4% yoy

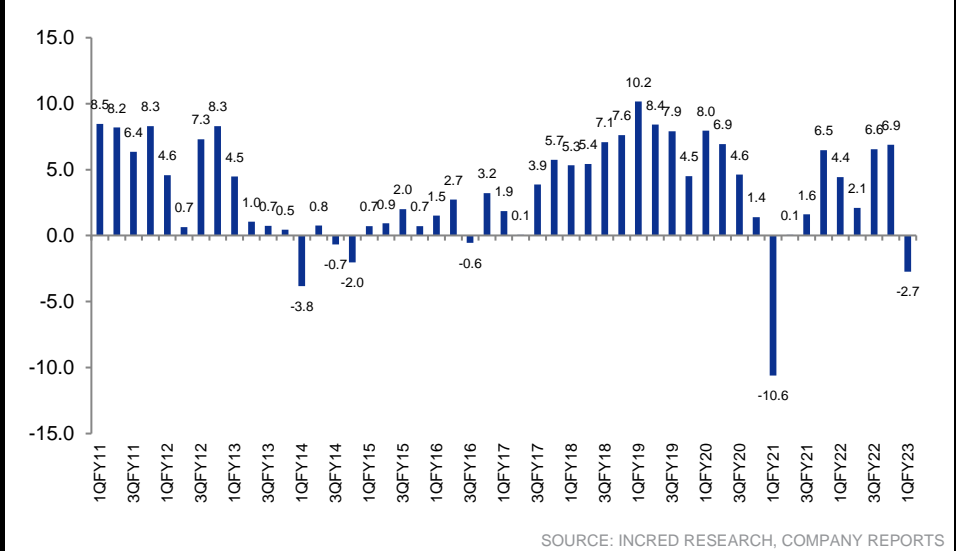


Figure 6: UCP segment's EBIT margin was down by 457bp yoy in 1QFY23

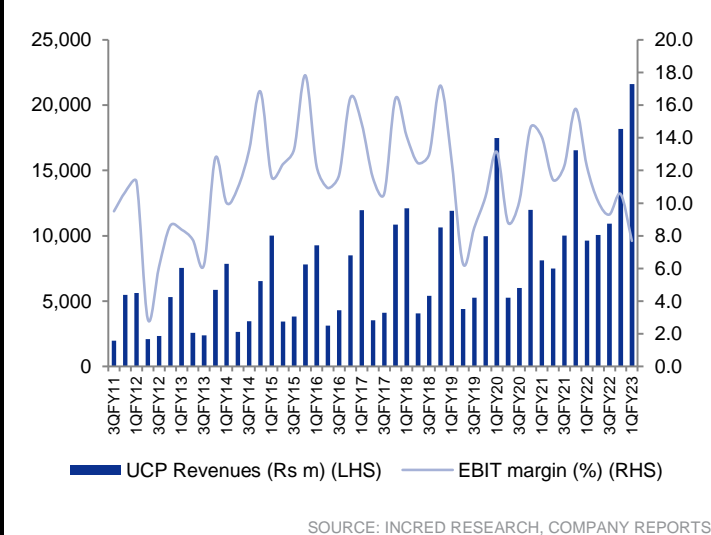


Figure 7: EPS segment's margin at 40.9% was up 798bp yoy in 1QFY23

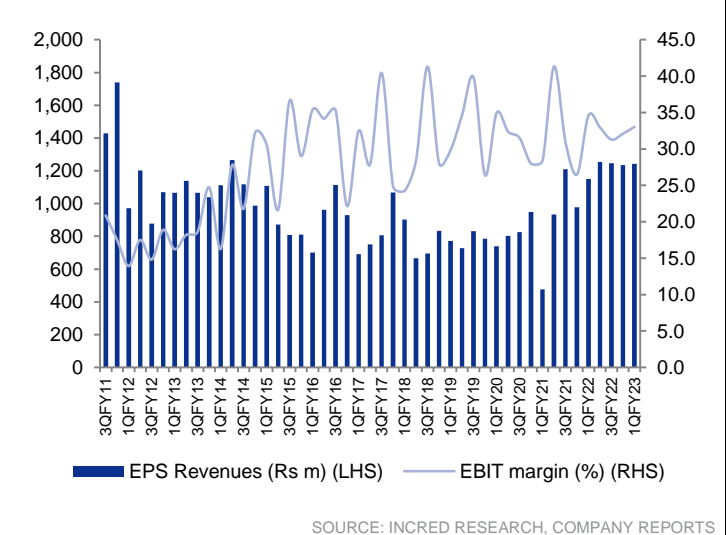
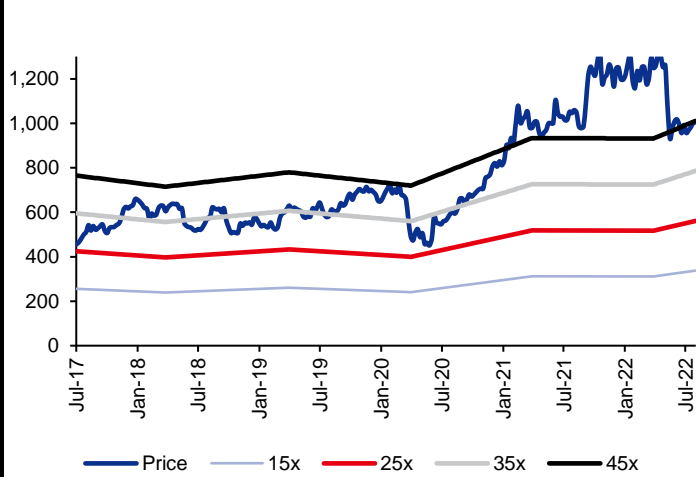


Figure 8: Earnings revision summary

(Rs m)	Old estimates		New estimates		Change (%)	
	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F
Revenue	93,274	1,04,959	96,615	1,06,171	3.6%	1%
EBITDA	8,669	10,652	7,494	9,076	-13.5%	-15%
Core PAT	6,831	8,510	5,641	7,033	-17.4%	-17%
EPS	20.7	25.8	17.0	21.3	-17.6%	-18%

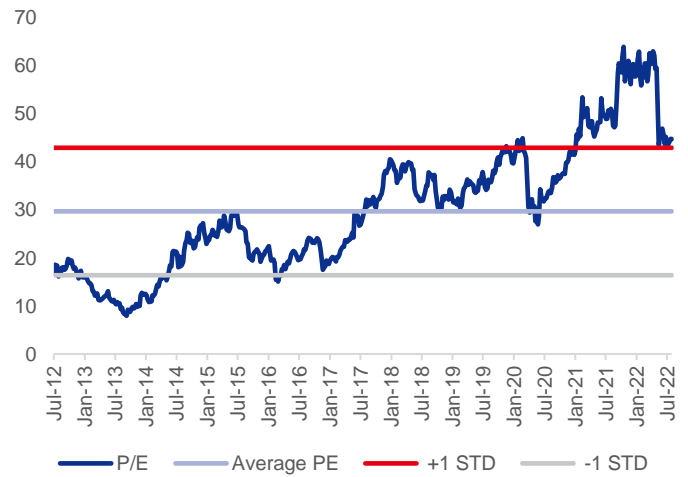
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: One-year forward P/E of Volta



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Current 10-year average P/E of Volta is at +1STD



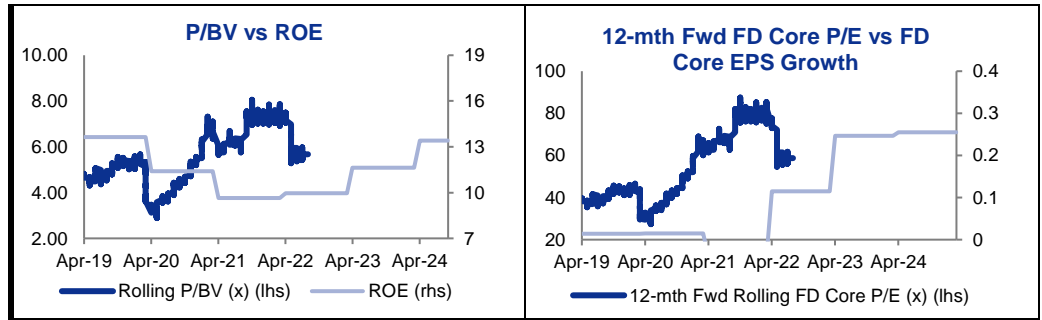
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Peer comparison

Company	Bloomberg Ticker	Recom.	Price Rs	TP Rs	Mkt cap (US\$ m)	P/E (x)			P/BV (x)			EV/EBITDA (x)			Dividend Yield (%)		
						FY23F	FY24F	FY25F	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F
ABB India	ABB IN	Reduce	2,667	1,975	7,073	92	74	62	14.0	11.9	10.5	67	52	43	0.2	0.2	0.3
Bharat Heavy Electricals	BHEL IN	Reduce	53	38	2,350	-117	29	16	0.7	0.7	0.7	118	14	8	(0.4)	1.7	3.2
Cummins India	KKC IN	Add	1,178	1,130	4,124	34	30	27	6.2	5.6	5.0	30	26	22	1.5	1.6	1.6
Larsen & Toubro	LT IN	Add	1,750	1,900	31,393	23	19	17	3.0	2.8	2.5	15	13	12	1.2	1.2	1.2
Siemens India	SIEM IN	Hold	2,645	2,500	12,152	70	54	46	8.1	7.2	6.5	47	36	30	0.4	0.5	0.5
Thermax	TMX IN	Hold	2,074	2,165	3,151	52	38	32	6.1	5.5	4.8	35	26	21	0.5	0.6	0.6
Volta	VOLT IN	Hold	999	1,020	4146	59	47	37	5.7	5.3	4.8	44	36	29	0.7	0.8	0.8
KEC International	KECI IN	Add	444	470	1,483	24	15	11	2.6	2.2	2.3	11	8	7	0.8	1.4	11.2

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Net Revenues	75,558	79,345	96,615	106,171	119,547
Gross Profit	19,773	20,378	22,705	25,693	29,887
Operating EBITDA	6,414	6,816	7,494	9,076	11,187
Depreciation And Amortisation	(339)	(373)	(400)	(481)	(562)
Operating EBIT	6,075	6,443	7,094	8,595	10,625
Financial Income/(Expense)	(262)	(259)	(259)	(259)	(259)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	1,889	1,892	2,019	2,175	2,333
Profit Before Tax (pre-EI)	7,702	8,076	8,855	10,511	12,699
Exceptional Items					
Pre-tax Profit	7,702	8,076	8,855	10,511	12,699
Taxation	(1,804)	(1,913)	(2,214)	(2,628)	(3,175)
Exceptional Income - post-tax					
Profit After Tax	5,898	6,163	6,641	7,883	9,524
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	(610)	(1,103)	(1,000)	(850)	(700)
Net Profit	5,288	5,060	5,641	7,033	8,824
Recurring Net Profit	5,288	5,060	5,641	7,033	8,824
Fully Diluted Recurring Net Profit	5,288	5,060	5,641	7,033	8,824

Cash Flow

(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
EBITDA	6,414	6,816	7,494	9,076	11,187
Cash Flow from Invt. & Assoc.	679	158	1,361	1,435	1,512
Change In Working Capital	(1,580)	(438)	(3,229)	(1,691)	(2,368)
(Incr)/Decr in Total Provisions	1,204	837	17	18	18
Other Non-Cash (Income)/Expense	339	373	400	481	562
Other Operating Cashflow	(801)	267	(1,760)	(1,916)	(2,074)
Net Interest (Paid)/Received	(262)	(259)	(259)	(259)	(259)
Tax Paid	(693)	(2,169)	(2,214)	(2,628)	(3,175)
Cashflow From Operations	5,300	5,584	1,810	4,518	5,404
Capex	(208)	(482)	(1,500)	(1,500)	(1,500)
Disposals Of FAs/subsidiaries	8,504	7,141			
Acq. Of Subsidiaries/investments	(11,739)	(11,038)	(750)	(750)	(750)
Other Investing Cashflow	208	92	2,019	2,175	2,333
Cash Flow From Investing	(3,236)	(4,287)	(231)	(75)	83
Debt Raised/(repaid)	425	918			
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(1,358)	(1,676)	(2,316)	(2,646)	(2,646)
Preferred Dividends					
Other Financing Cashflow	(267)	(312)	(259)	(259)	(259)
Cash Flow From Financing	(1,200)	(1,070)	(2,574)	(2,905)	(2,905)
Total Cash Generated	864	226	(995)	1,537	2,581
Free Cashflow To Equity	2,489	2,215	1,580	4,442	5,486
Free Cashflow To Firm	2,326	1,555	1,838	4,701	5,745

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Cash And Equivalents	31,720	38,710	36,957	37,884	40,006
Total Debtors	18,009	21,097	22,764	25,016	28,167
Inventories	12,796	16,614	17,212	18,742	20,880
Total Other Current Assets	16,172	13,012	19,352	21,267	23,946
Total Current Assets	78,697	89,433	96,285	102,908	112,999
Fixed Assets	3,245	3,707	4,807	5,826	6,764
Total Investments	3,332	3,161	3,911	4,661	5,411
Intangible Assets	723	723	723	723	723
Total Other Non-Current Assets	558	440	440	440	440
Total Non-current Assets	7,857	8,030	9,880	11,650	13,338
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	24,645	29,421	32,400	35,278	39,304
Other Current Liabilities	9,009	8,984	11,382	12,508	14,084
Total Current Liabilities	33,654	38,405	43,782	47,786	53,387
Total Long-term Debt	2,606	3,559	3,559	3,559	3,559
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	2,606	3,559	3,559	3,559	3,559
Total Provisions		124	124	124	124
Total Liabilities	36,260	42,087	47,464	51,468	57,069
Shareholders Equity	49,934	54,996	58,321	62,708	68,886
Minority Interests	361	381	381	381	381
Total Equity	50,295	55,376	58,702	63,089	69,267

Key Ratios					
	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue Growth	(1.3%)	5.0%	21.8%	9.9%	12.6%
Operating EBITDA Growth	(6.6%)	6.3%	10.0%	21.1%	23.3%
Operating EBITDA Margin	8.5%	8.6%	7.8%	8.5%	9.4%
Net Cash Per Share (Rs)	87.99	106.23	100.93	103.74	110.15
BVPS (Rs)	150.91	166.21	176.26	189.52	208.19
Gross Interest Cover	23.23	24.90	27.42	33.23	41.07
Effective Tax Rate	23.4%	23.7%	25.0%	25.0%	25.0%
Net Dividend Payout Ratio	25.0%	32.8%	41.0%	37.6%	30.0%
Accounts Receivables Days	87.79	89.95	82.85	82.13	81.19
Inventory Days	89.92	91.02	83.52	81.53	80.65
Accounts Payables Days	(168.59)	(167.33)	(152.65)	(153.47)	(151.81)
ROIC (%)	26.3%	29.5%	25.4%	26.3%	28.6%
ROCE (%)	12.4%	11.5%	11.7%	13.3%	15.2%
Return On Average Assets	6.5%	5.7%	5.7%	6.5%	7.5%

Key Drivers					
	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Segmental Revenues (Rs m)					
Electro-mechanical Projects	28,786	24,705	25,256	27,567	30,077
Engineering Products and services	3,595	4,887	5,473	6,130	6,865
Unitary Cooling Products	42,185	48,819	64,930	71,422	81,422
Growth (%)					
Electro-mechanical Projects	(11)	(14)	2	9	9
Engineering Products and services	8	36	12	12	12
Unitary Cooling Products	4	16	33	10	14
EBIT margin (%)					
Electro-mechanical Projects	1	5	5	6	6
Engineering Products and services	32	32	34	32	32
Unitary Cooling Projects	14	11	9	10	11

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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