

India

**ADD** (no change)

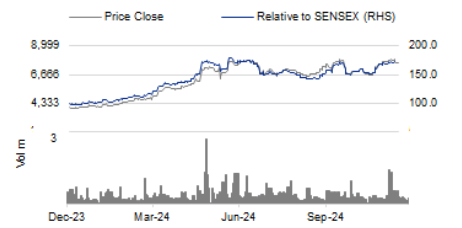
Consensus ratings\*: Buy 15 Hold 5 Sell 6

Current price:	Rs6,869
Target price: ▲	Rs7,910
Previous target:	Rs7,565
Up/downside:	15.2%
InCred Research / Consensus:	0.3%
Reuters:	SIEM.NS
Bloomberg:	SIEM IN
Market cap:	US\$28,771m
	Rs2,446,155m
Average daily turnover:	US\$31.9m
	Rs2708.5m
Current shares o/s:	356.0m
Free float:	25.0%

\*Source: Bloomberg

**Key changes in this note**

- For FY24F/25F, we have lowered our revenue estimates by 3.6%/4.5%.
- For FY24F/25F, we have lowered our PAT estimates by 4.4%/5.3%.

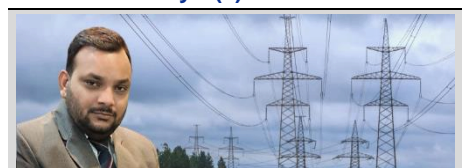


Source: Bloomberg

<b>Price performance</b>	1M	3M	12M
Absolute (%)	3.4	0.5	75.7
Relative (%)	4.8	9.4	60.1

<b>Major shareholders</b>	% held
Promoter	75.0
Life Insurance Corporation	3.1
	0.0

**Research Analyst(s)**



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# Siemens Ltd

## Temporary blip in capex - to pick up in 2H

- 4Q EBITDA up 34% YoY at Rs9.4bn, 4% above our est.& 8% above consensus as the EBITDA margin rose 246bp YoY to 14.5%; GM was up 300bp at 32.4%.
- Capex slowed in 1HFY25 but is expected to pick up in 2HFY25F. The capex is happening in new businesses like semiconductors, batteries, EVs & solar.
- We retain our ADD rating on the stock with a higher target price of Rs7,910 (Rs7,565 earlier), valuing it at 75x Sep 2026F EPS (from Mar 2026F EPS).

### Double-digit revenue growth with margin expansion

Siemens reported 4QFY24 revenue of Rs64.6bn, up 11.3% YoY, in line with our estimate and 4% above the Bloomberg or BB consensus estimate. The revenue of mobility segment grew 24% YoY to Rs8.8bn while the energy segment grew 12.4% YoY to Rs20.8bn. EBITDA was up 34% YoY at Rs9.4bn, 4% above our estimate and 8% above the BB consensus estimate, as margin expanded by 246bp YoY to 14.5%; gross margin expanded by 300bp YoY to 32.4%. The EBIT margin of mobility segment expanded by 488bp to 8.2%, while the energy segment's margin increased by 596bp to 17.8%. PAT jumped by 45% YoY to Rs8.3bn, 15% above our estimate and 21% above the BB consensus estimate.

### Adjusted order inflow grew 14% in FY24

Order inflow grew by 37% YoY (21% YoY adj.) to Rs61.6bn in 4QFY24. The strong order book was backed by healthy demand across segments while the digital industries segment continued to witness normal demand. Excluding the large 9,000 HP electric locomotive order from Indian Railways received in FY23, order inflow grew by 13.8% in FY24.

### Temporary blip in private capex

Capex slowdown was seen in 1HFY25 but is expected to pick up in 2HFY25F, with the consumption indicator showing an uptick. Private capex is likely in new businesses like semiconductors, batteries, electric vehicles or EVs and solar energy. Traditional verticals saw a slowdown while private capex has not picked up as per expectation. Demand relating to energy transition and energy solutions bodes well, with various verticals investing in some sectors, consolidating and then investing further whereas other sectors are flattish. The metals sector witnessed a slowdown due to dumping and delay in investments by steel manufacturers who are in a wait-and-watch mode. Management expects private capex to improve in coming quarters.

### Retain ADD rating on the stock with a higher target price of Rs7,910

Siemens' energy business will be demerged in the ratio of 1:1 to become a separate listed entity. This is likely to be completed by CY25F. The demerger will create two strong independent companies focusing on their core activities. Siemens has given total capex guidance of Rs11bn for its GIS factory and other mobility capex. For FY24F/25F, we have lowered our PAT estimates by ~4%/5% factoring in lower capex and order inflow. We retain our ADD rating on the stock with a higher target price of Rs7,910 (Rs7,565 earlier), valuing it at 75x Sep 2026F (from Mar 2026F) EPS. Slowdown in order inflow is a downside risk.

Financial Summary	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Revenue (Rsm)	195,538	222,397	263,627	306,927	343,504
Operating EBITDA (Rsm)	24,872	31,040	36,741	45,956	52,211
Net Profit (Rsm)	19,619	27,181	30,729	37,542	42,763
Core EPS (Rs)	55.1	76.4	86.3	105.5	120.1
Core EPS Growth	55.5%	38.5%	13.1%	22.2%	13.9%
FD Core P/E (x)	124.64	89.96	79.58	65.14	57.18
DPS (Rs)	10.0	10.0	12.9	15.8	18.0
Dividend Yield	0.15%	0.15%	0.19%	0.23%	0.26%
EV/EBITDA (x)	95.24	75.70	63.22	49.92	43.29
P/FCFE (x)	381.37	210.03	122.42	130.17	88.83
Net Gearing	(58.4%)	(62.3%)	(68.2%)	(71.5%)	(74.7%)
P/BV (x)	18.69	15.92	13.61	11.56	9.86
ROE	15.9%	19.1%	18.4%	19.2%	18.6%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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## Conference-call highlights

- **Slowdown in private capex:** Capex slowdown was witnessed in 1HFY25, but it is expected to pick up in 2HFY25F with the consumption indicator witnessing an uptick. Private capex is likely in new businesses like semiconductors, batteries, EVs and solar energy. Traditional verticals saw a slowdown, and private capex has not picked up as per expectation. Demand relating to energy transition and energy solution bodes well, with various verticals investing in some sectors, consolidating and then investing further and some sectors remaining flattish. The metals sector witnessed a slowdown due to dumping and delays in investments by steel manufacturers who are in a wait-and-watch mode. Management expects private capex to improve in coming quarters.
- **Overview:** Siemens posted strong FY24 results, with revenue growth at 14.4% YoY and PAT growth of 13.2%. Revenue gains were supported by a 15% growth in product business and a 13.2% growth in project business. The company has maintained a strong book-to-bill ratio at 1.13x, with order backlog worth Rs483bn. New orders were up 13.8% in FY24 led by an uptick in the base business. However, there were several large orders in smart infrastructure and mobility segments.
- **India's growth story:** Siemens reaffirms confidence in India's economic trajectory, driven by government infrastructure spending, rising private sector investment in semiconductors, EVs, and renewable technologies. Management said the company has prioritized inventory optimization and focused its efforts on improving cash collection.
- **Capex plan:** Capex in FY24 stood at Rs3.2bn. An additional Rs1bn capex was announced in Nov 2024 to expand product portfolio to include large reactors. A cumulative capex of Rs11bn has been planned over the next two-to-three years.
- **Technology focus:** Siemens is not participating in LCC (Line Commutated Converter) technology projects but is focusing exclusively on VSC (Voltage Source Converter) technology. VSC is considered superior and is being adopted globally for local and international projects.
- Segments:
  - **Digital industries:** This segment focuses on factory and process automation, motion control, and customer services. Growth drivers include strong demand from electronics, chemicals, pharmaceuticals, and food & beverage industries, reflecting significant technological adoption across these industries. Key achievements include over 60% reduction in cycle times for pharmaceutical clients using digitalized solutions and 20% energy savings for metals customers through advanced drives.
  - **Smart infrastructure:** Siemens is in the field of electrification, building solutions, grid software, and e-mobility. Growth areas include data centres, commercial buildings, and power utilities. Notable projects include revamping electrical distribution systems in Gujarat and providing integrated building management solutions for a 42m sq. ft. high-rise commercial project.
  - **Mobility:** Focusing on rail infrastructure and rolling stock, Siemens is supporting India's railway electrification targets, advanced signaling systems, and modernization plans like the 'Vande Bharat' trains initiative. Export orders for mobility solutions, including bogies, are rising, with further orders likely. Vande Bharat train tenders are expected, although tenders for 6,000HP and 12,000HP locomotives are still pending.
  - **Energy:** This segment supports India's energy transition through grid technologies, industrial gas and steam turbines, and high-voltage solutions. With drivers such as grid stability and the integration of 600GW of renewable energy by 2032F, Siemens has delivered key projects like STATCOM systems to ensure grid reliability.

- **Siemens Xcelerator:** This digital business platform was introduced earlier, and it integrates real and digital worlds for industries, utilities, and buildings. It has achieved significant milestones since 2022, including 125+ user cases, fostering efficiency, scalability, and sustainability in customer operations.
- **Demerger update:** The Siemens energy business demerger is progressing as per schedule, with the completion and listing expected in CY25F. Post-demerger, Siemens Limited (SL) will focus on digital and electrification strengths while Siemens Energy India Ltd (SEIL) will handle energy-specific operations.
- **Outlook:** Leveraging its digitalization initiatives, Siemens ensures comprehensive customer solutions, from automation to advanced energy-saving technologies. The company expects consistent growth, driven by its diversified portfolio and emphasis on technology adoption. Investments in R&D and strategic alignment with emerging verticals like EVs and digital twins position it to sustain robust growth in the coming years.

Figure 1: Results summary

Consolidated (Rs m)	4QFY24	4QFY23	YoY	3QFY24	QoQ	FY24	FY23	YoY
<b>Total revenue</b>	<b>64,611</b>	<b>58,077</b>	<b>11.3%</b>	<b>52,035</b>	<b>24.2%</b>	<b>2,22,397</b>	<b>1,95,538</b>	<b>13.7%</b>
Raw material costs	43,701	41,026	6.5%	34,642	26.2%	1,49,925	1,33,825	12.0%
Employee expenses	6,408	5,141	24.6%	5,898	8.6%	22,840	20,130	13.5%
Other expenses	5,121	4,907	4.4%	4,580	11.8%	18,593	16,711	11.3%
<b>EBITDA</b>	<b>9,381</b>	<b>7,003</b>	<b>34.0%</b>	<b>6,915</b>	<b>35.7%</b>	<b>31,039</b>	<b>24,872</b>	<b>24.8%</b>
<b>EBITDA margin (%)</b>	<b>14.5%</b>	<b>12.1%</b>	<b>246 bps</b>	<b>13.3%</b>	<b>123 bps</b>	<b>14.0%</b>	<b>12.7%</b>	<b>124 bps</b>
Depreciation	856	786	8.9%	855	0.1%	3,296	3,208	2.7%
<b>EBIT</b>	<b>8,525</b>	<b>6,217</b>	<b>37.1%</b>	<b>6,060</b>	<b>40.7%</b>	<b>27,743</b>	<b>21,664</b>	<b>28.1%</b>
Other income	2,833	1,455	94.7%	1568	80.7%	9,252	4,962	86.5%
Interest	205	49	318.4%	53	286.8%	605	228	165.4%
<b>PBT</b>	<b>11,153</b>	<b>7,623</b>	<b>46.3%</b>	<b>7,575</b>	<b>47.2%</b>	<b>36,390</b>	<b>26,398</b>	<b>37.9%</b>
Tax	2,841	1,905	49.1%	1,794	58.4%	9,212	6,778	35.9%
<b>Adjusted PAT</b>	<b>8,312</b>	<b>5,718</b>	<b>45.4%</b>	<b>5,781</b>	<b>43.8%</b>	<b>27,178</b>	<b>19,620</b>	<b>38.5%</b>
Extra-ordinary items	-	-	-	-	-	-	-	-
<b>Reported PAT</b>	<b>8,312</b>	<b>5,718</b>	<b>45.4%</b>	<b>5,781</b>	<b>43.8%</b>	<b>27,178</b>	<b>19,620</b>	<b>38.5%</b>
<b>EPS (Rs)</b>	<b>23.3</b>	<b>16.1</b>	<b>45.4%</b>	<b>16.2</b>	<b>43.8%</b>	<b>76.3</b>	<b>55.1</b>	<b>38.5%</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Margin and cost analysis

(% of sales)	4QFY24	4QFY23	YoY	3QFY24	QoQ	FY24	FY23	YoY
Raw material costs	67.6%	70.6%	-300bp	66.6%	106bp	67.4%	68.4%	-103bp
Employee expenses	9.9%	8.9%	107bp	11.3%	-142bp	10.3%	10.3%	-2bp
Other expenses	7.9%	8.4%	-52bp	8.8%	-88bp	8.4%	8.5%	-19bp
Tax rate	25.5%	25.0%	48bp	23.7%	179bp	25.3%	25.7%	-36bp
PAT margin	12.9%	9.8%	302bp	11.1%	175bp	12.2%	10.0%	219bp
Gross margin (%)	32.4%	29.4%	300bp	33.4%	-106bp	32.6%	31.6%	103bp

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Segment revenue

Revenue (Rs m)	4QFY24	4QFY23	YoY	3QFY24	QoQ	FY24	FY23	YoY
Energy	20,758	18,467	12.4%	14,865	39.6%	63,452	60,803	4.4%
Smart infrastructure	22,700	21,092	7.6%	19,700	15.2%	82,578	56,672	45.7%
Mobility	8,824	7,124	23.9%	6,168	43.1%	29,162	19,832	47.0%
Digital industries	10,519	9,459	11.2%	9,644	9.1%	40,961	44,776	-8.5%
Portfolio companies'	2,606	2,444	6.6%	2,370	10.0%	9,366	-	-
Others	384	332	15.7%	215	78.6%	1,035	1,172	-11.7%
<b>Total</b>	<b>65,791</b>	<b>58,918</b>	<b>11.7%</b>	<b>52,962</b>	<b>24.2%</b>	<b>2,26,554</b>	<b>1,83,255</b>	<b>23.6%</b>
Less: Inter-segmental	1,180	841	40.3%	927	27.3%	4,157	3,559	16.8%
<b>Total revenue</b>	<b>64,611</b>	<b>58,077</b>	<b>11.3%</b>	<b>52,035</b>	<b>24.2%</b>	<b>2,22,397</b>	<b>1,79,696</b>	<b>23.8%</b>

EBIT (Rs m)	4QFY24	4QFY23	YoY	3QFY24	QoQ	FY24	FY23	YoY
Energy	3,701	2,191	68.9%	1,903	94.5%	9,098	6,873	32.4%
Smart infrastructure	3,045	2,439	24.8%	2,772	9.8%	10,878	6,587	65.1%
Mobility	723	236	206.4%	161	349.1%	2,074	533	289.1%
Digital industries	988	1,088	-9.2%	908	8.8%	4,930	6,132	-19.6%
Portfolio companies	151	259	-41.7%	278	-45.7%	785	-	-
Others	27	2	1,250.0%	38	-28.9%	89	42	111.9%
<b>EBIT</b>	<b>8,635</b>	<b>6,215</b>	<b>38.9%</b>	<b>6,060</b>	<b>42.5%</b>	<b>27,854</b>	<b>20,167</b>	<b>38.1%</b>

EBIT margin (%)	4QFY24	4QFY23	YoY	3QFY24	QoQ	FY24	FY23	YoY
Energy	17.8%	11.9%	596bp	12.8%	503bp	14.3%	11.3%	303bp
Smart infrastructure	13.4%	11.6%	185bp	14.1%	-66bp	13.2%	11.6%	155bp
Mobility	8.2%	3.3%	488bp	2.6%	558bp	7.1%	2.7%	442bp
Digital industries	9.4%	11.5%	-211bp	9.4%	-2bp	12.0%	13.7%	-166bp
Portfolio companies	5.8%	10.6%	-480bp	11.7%	-594bp	8.4%	-	-
Others	7.0%	0.6%	643bp	17.7%	-1,064bp	8.6%	3.6%	502bp
<b>Blended EBIT margin</b>	<b>13.1%</b>	<b>10.5%</b>	<b>258bp</b>	<b>11.4%</b>	<b>168bp</b>	<b>12.3%</b>	<b>11.0%</b>	<b>129bp</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 4: Order details**

(Rs m)	4QFY24	4QFY23	YoY	3QFY24	QoQ	FY24	FY23	YoY
Order inflow	61,640	44,980	37.0%	62,450	-1.3%	2,35,630	4,63,830	-49.2%
Order book	4,83,600	4,55,180	6.2%	4,73,079	2.2%	4,83,600	4,55,180	6.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

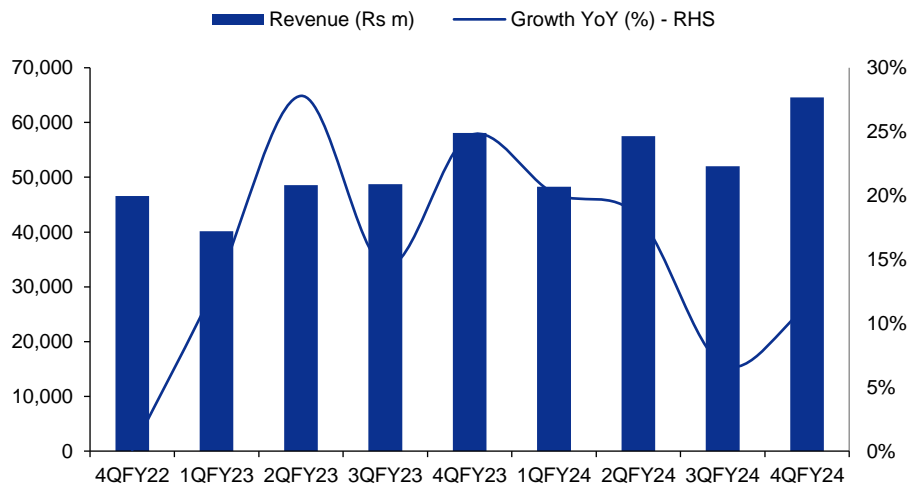
**Figure 5: Actuals vs. estimates**

Vs. InCred	4QFY24	4QFY24F	Diff. (%)
Revenue (Rs m)	64,611	64,316	0.5%
EBITDA (Rs m)	9,381	9,004	4%
Margin (%)	14.5%	14.0%	52 bps
PAT (Rs m)	8,312	7,259	15%

Vs. Consensus	4QFY24	4QFY24C	Diff. (%)
Revenue (Rs m)	64,611	62,307	4%
EBITDA (Rs m)	9,381	8,707	8%
Margin (%)	14.5%	14.0%	54 bps
PAT (Rs m)	8,312	6,865	21%

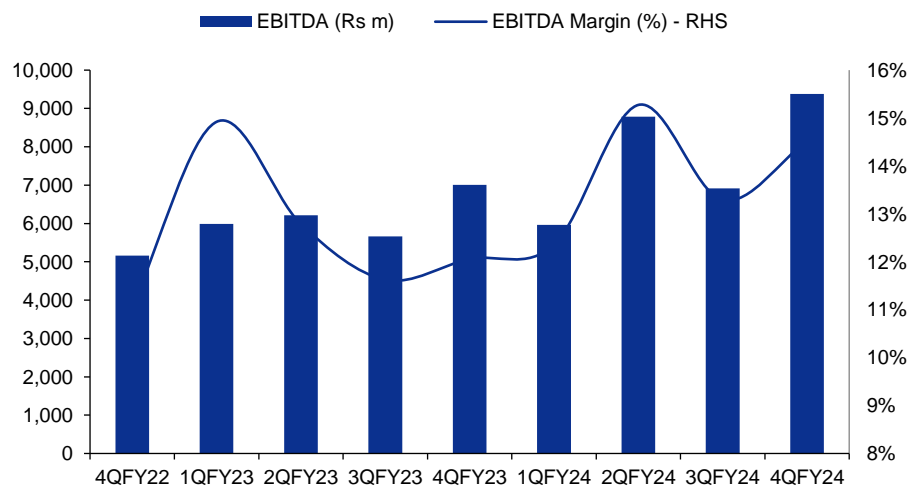
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 6: Quarterly revenue trend**



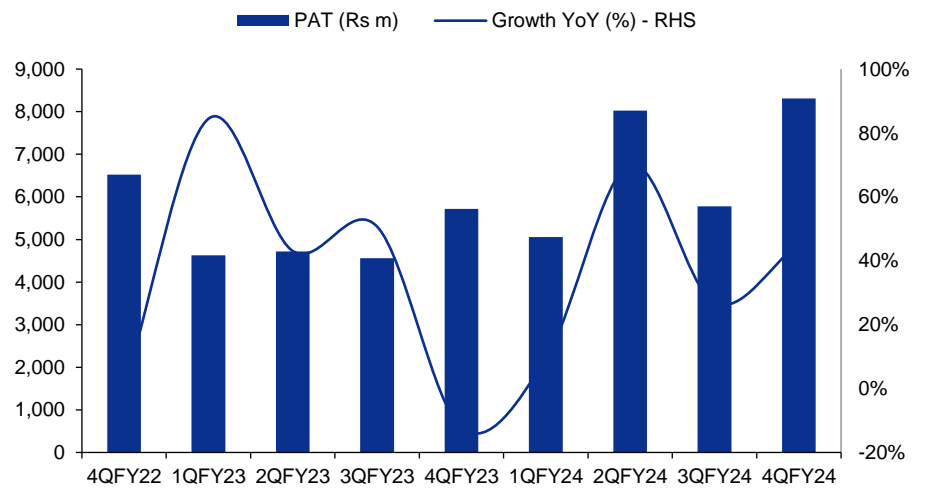
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 7: Quarterly EBITDA trend**



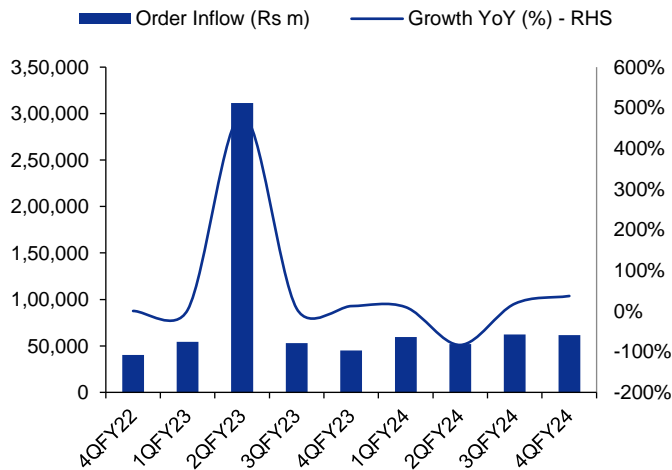
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Quarterly PAT trend



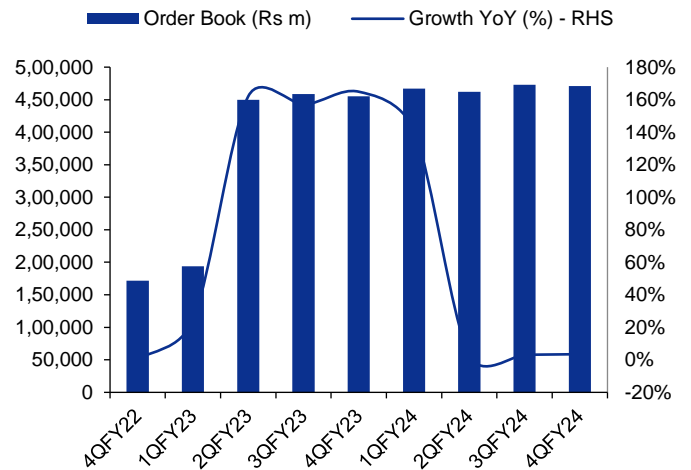
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Order inflow trend



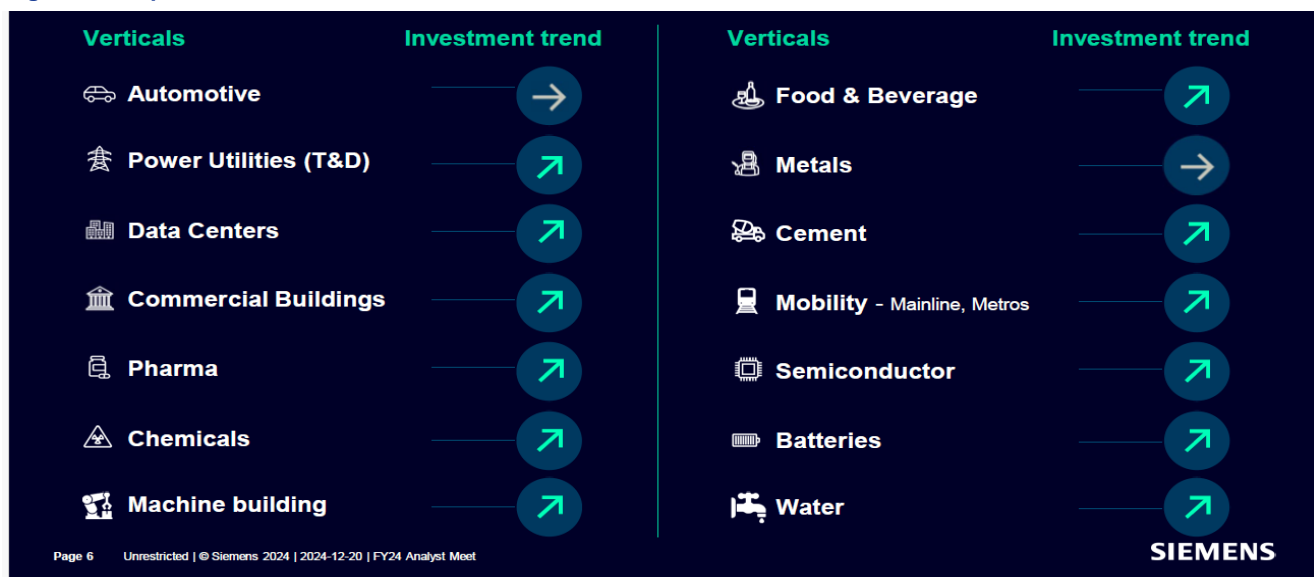
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Healthy order backlog and book-bill ratio of 1.1x



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Capex trend



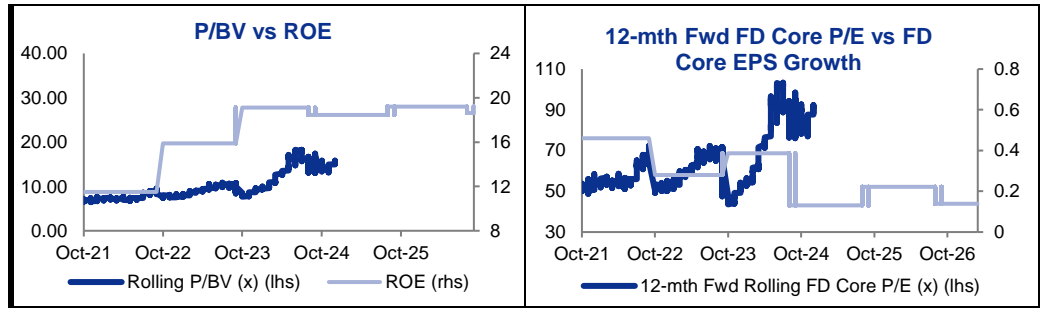
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 12: Our revised earnings estimates**

(Rs m)	New Estimates		Old Estimates		Changes	
	FY25F	FY26F	FY25F	FY26F	FY25F	FY26F
Revenue	2,63,627	3,06,927	2,73,463	3,21,412	-3.6%	-4.5%
EBITDA	36,741	45,956	38,558	48,533	-4.7%	-5.3%
PAT	30,729	37,542	32,158	39,650	-4.4%	-5.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
<b>Total Net Revenues</b>	195,538	222,397	263,627	306,927	343,504
<b>Gross Profit</b>	61,712	72,471	85,415	102,207	115,417
<b>Operating EBITDA</b>	24,872	31,040	36,741	45,956	52,211
Depreciation And Amortisation	(3,208)	(3,296)	(3,782)	(4,032)	(4,282)
<b>Operating EBIT</b>	21,664	27,744	32,958	41,924	47,929
Financial Income/(Expense)	(228)	(605)	(659)	(706)	(790)
Pretax Income/(Loss) from Assoc.	(1)				
Non-Operating Income/(Expense)	4,962	9,253	9,227	9,515	10,649
<b>Profit Before Tax (pre-EI)</b>	26,397	36,392	41,526	50,733	57,787
Exceptional Items					
<b>Pre-tax Profit</b>	26,397	36,392	41,526	50,733	57,787
Taxation	(6,778)	(9,211)	(10,797)	(13,191)	(15,025)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	19,619	27,181	30,729	37,542	42,763
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	19,619	27,181	30,729	37,542	42,763
Recurring Net Profit	19,619	27,181	30,729	37,542	42,763
<b>Fully Diluted Recurring Net Profit</b>	19,619	27,181	30,729	37,542	42,763

Cash Flow

(Rs mn)	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
<b>EBITDA</b>	24,872	31,040	36,741	45,956	52,211
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(4,371)	(6,706)	2,326	(2,373)	(2,004)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
<b>Other Operating Cashflow</b>	1,532	675	2,109	2,762	3,092
Net Interest (Paid)/Received					
Tax Paid	(8,033)	(8,314)	(10,797)	(13,191)	(15,025)
<b>Cashflow From Operations</b>	14,000	16,695	30,379	33,156	38,274
Capex	(1,545)	(1,022)	(2,298)	(2,474)	(2,550)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(6,043)	(4,030)	(8,105)	(11,896)	(8,195)
<b>Cash Flow From Investing</b>	(7,588)	(5,052)	(10,403)	(14,370)	(10,745)
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(3,561)	(3,568)	(4,609)	(5,631)	(6,414)
Preferred Dividends					
Other Financing Cashflow	(940)	(1,633)	(2,807)	538	256
<b>Cash Flow From Financing</b>	(4,501)	(5,201)	(7,416)	(5,093)	(6,159)
Total Cash Generated	1,911	6,442	12,559	13,692	21,370
<b>Free Cashflow To Equity</b>	6,412	11,643	19,975	18,786	27,529
<b>Free Cashflow To Firm</b>	6,412	11,643	19,975	18,786	27,529

SOURCES: INCRED RESEARCH, COMPANY REPORTS



**BY THE NUMBERS...cont'd**

**Balance Sheet**

(Rs mn)	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Total Cash And Equivalents	76,507	95,679	122,572	151,319	185,405
Total Debtors	47,072	44,098	62,115	72,317	80,935
Inventories	25,052	26,305	33,224	38,681	43,291
Total Other Current Assets	27,431	35,489	36,836	42,886	47,996
<b>Total Current Assets</b>	<b>176,062</b>	<b>201,571</b>	<b>254,747</b>	<b>305,203</b>	<b>357,627</b>
Fixed Assets	17,546	18,944	17,460	15,902	14,169
Total Investments	667	653	1,318	1,535	1,718
Intangible Assets	12,686	12,576	12,576	12,576	12,576
Total Other Non-Current Assets	15,689	20,339	20,563	23,940	26,793
<b>Total Non-current Assets</b>	<b>46,588</b>	<b>52,512</b>	<b>51,917</b>	<b>53,953</b>	<b>55,256</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	42,368	47,004	57,781	67,272	75,288
Other Current Liabilities	31,192	31,345	43,336	50,454	56,466
<b>Total Current Liabilities</b>	<b>73,560</b>	<b>78,349</b>	<b>101,117</b>	<b>117,726</b>	<b>131,755</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	6,228	11,301	9,153	10,398	11,443
<b>Total Non-current Liabilities</b>	<b>6,228</b>	<b>11,301</b>	<b>9,153</b>	<b>10,398</b>	<b>11,443</b>
Total Provisions	11,905	10,772	16,612	19,341	21,645
<b>Total Liabilities</b>	<b>91,693</b>	<b>100,422</b>	<b>126,883</b>	<b>147,464</b>	<b>164,843</b>
Shareholders Equity	130,871	153,567	179,687	211,598	247,946
Minority Interests	86	94	94	94	94
<b>Total Equity</b>	<b>130,957</b>	<b>153,661</b>	<b>179,781</b>	<b>211,692</b>	<b>248,040</b>

**Key Ratios**

	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Revenue Growth	21.2%	13.7%	18.5%	16.4%	11.9%
Operating EBITDA Growth	41.5%	24.8%	18.4%	25.1%	13.6%
Operating EBITDA Margin	12.7%	14.0%	13.9%	15.0%	15.2%
Net Cash Per Share (Rs)	214.91	268.76	344.30	425.05	520.80
BVPS (Rs)	367.62	431.37	504.74	594.38	696.48
Gross Interest Cover	95.02	45.86	50.01	59.39	60.66
Effective Tax Rate	25.7%	25.3%	26.0%	26.0%	26.0%
Net Dividend Payout Ratio	18.2%	13.1%	15.0%	15.0%	15.0%
Accounts Receivables Days	79.27	74.81	73.53	79.93	81.42
Inventory Days	63.69	62.52	60.96	64.10	65.59
Accounts Payables Days	112.87	108.79	107.31	111.48	114.07
ROIC (%)	25.0%	28.4%	30.5%	37.7%	39.8%
ROCE (%)	17.5%	19.5%	19.8%	21.4%	20.9%
Return On Average Assets	9.3%	11.6%	11.1%	11.4%	11.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

##### Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

##### Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.