



Asahi India Glass Ltd

Sector: Glass

30th June 2022



WALLFORT
Financial Services Ltd.

Initiating Coverage Report

Research Analyst: Anik Mitra

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Snapshot	
CMP (29-06-2022)	532
Target(INR)	702
Upside(%)	32%
Recommendation	Strong Buy

Bloomberg Code	AISG.IN
Reuters Code	AISG.NS



Research Analyst: Anik Mitra
Email : anik.mitra@wallfort.com

Investment Rationale

Recovery in Automobile market: Automobile market witnessed a staggered performance due to slowdown in the economy, liquidity crunch, crisis in non-banking finance companies (NBFC) sector, increase in third party insurance and road tax, BS-VI implementation finally outbreak of pandemic. However, in FY22 Auto sales number has started bouncing back.

According to the data of Society of Indian Automobile Manufacturers (SIAM), total passenger vehicle(PV) sales in India fell 18% and 2% in FY20 and FY21 respectively. Domestic total commercial vehicle(CV) sales fell 29% and 21% during FY20 and FY21 respectively. In export market of PV, sales recorded 2% and 39% degrowth in FY20 and FY21 respectively. In export market for CV sales recorded 40% and 17% degrowth in FY20 and FY21 respectively. In FY22, domestic PV and CV sales bounced back with 13% and 26% growth respectively. In export market PV and CV sales bounced back 43% and 83% in aforementioned period respectively. Revival in the Automobile market gives hope of recovery in the automotive glass market.

Recovery in Real Estate Market : After a prolonged slowdown, real estate market has started recovery since H2FY22. According to an Industry source, Inventory overhang in the residential market has come down from 48 months in Q1FY22 to 42 months in Q4FY22. Demand is gradually improving in the commercial real estate market as employees have started returning to the office. Growing Real Estate demand will increase demand of float glasses.

Investment Rationale (Contd.....)

Valuation: AIG is currently trading at 19.7x of FY24E EPS 27.01. Considering the rationale we are **assigning P/E of 26x to FY24E EPS and arriving at a price target of 702.**

Shareholding Pattern (%)	Dec-21	Mar-22	Jun-22
Promoters' holding	54.24	54.24	54.24
Institution	2.14	3.01	3.02
Non-institution	43.24	42.37	42.36

Stock Scan	
MktCap(INR cr)	12,933
Face Value(INR)	1
Dividend yield	0.38%
TTM P/E(x)	39.03

Key Data (INR cr)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Revenue	2637.24	2914.34	2644.85	2434.34	3173.33	3943.43	5002.61
Revenue growth rate	8.20%	10.51%	-9.25%	-7.96%	30.36%	24.27%	26.86%
EBITDA	468.0	511.8	436.3	447.7	763.6	926.8	1199.8
EBITDA Margin	17.75%	17.56%	16.50%	18.39%	24.06%	23.50%	23.98%
EBITDA growth rate	9.42%	9.35%	-14.75%	2.62%	70.54%	21.37%	29.46%
PAT	176.59	183.51	145.03	121.25	331.37	472.63	656.54
PAT Margin	6.70%	6.30%	5.48%	4.98%	10.44%	11.99%	13.12%
PAT growth rate	62.02%	3.92%	-20.97%	-16.40%	173.29%	42.63%	38.91%
EPS(INR)	7.30	7.82	6.32	5.47	14.18	19.44	27.01
P/E(x)	72.88	68.03	84.18	97.26	37.52	27.36	19.70
ROE	16.42%	15.10%	11.14%	8.42%	18.80%	21.62%	23.62%
ROCE	11.57%	11.16%	10.67%	7.88%	14.87%	19.08%	21.62%
BVPS(INR)	44.24	50.01	53.57	59.23	72.50	89.94	114.35
P/BV(x)	12.02	10.64	9.93	8.98	7.34	5.91	4.65
EV/EBITDA(x)	30.31	28.01	32.79	31.56	18.40	14.93	11.32

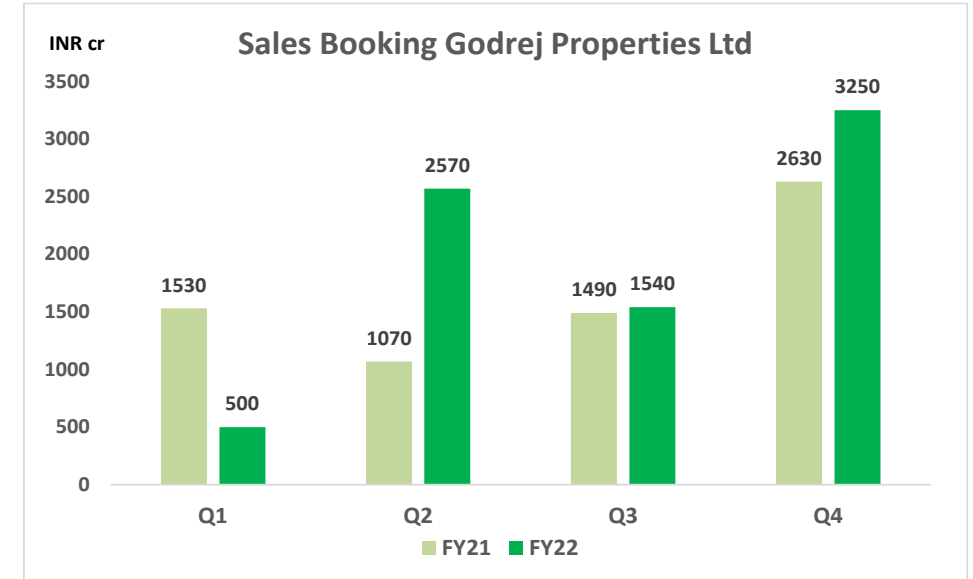
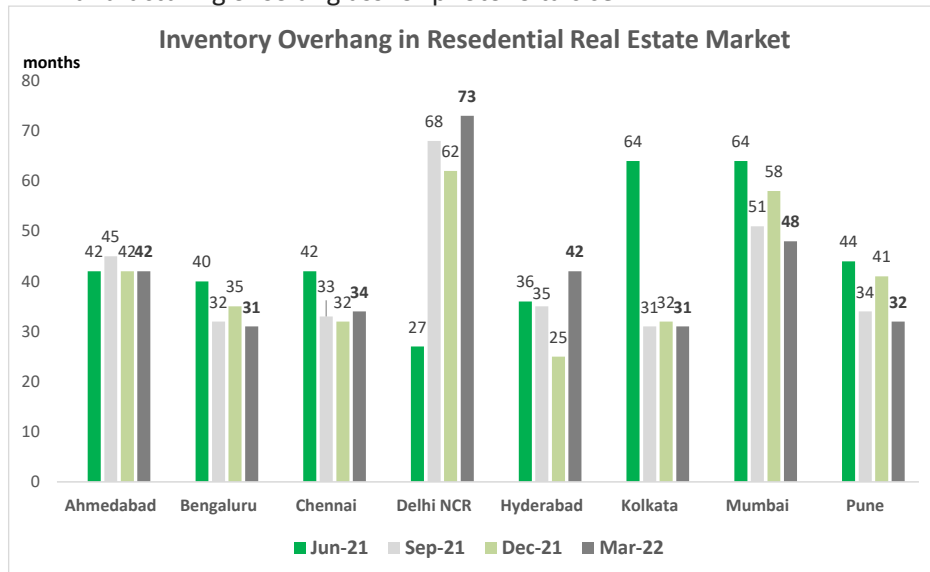


Investment Rationale

Increase in Glass Consumption in Real Estate Sector: Glass consumption in construction sector in India is historically quite low, per capita glass consumption in India is just 1.9 Kg as compared to the global average of 7 Kg per person per year. Now trend is gradually changing, Glass has emerged as a material for energy conservation. It provides benefits such as heat shielding, glare reduction, thermal and sound insulation and also protects from UV rays. Glass retrofitting solution is used in renovation of old building. Glass in the construction sector adds lots of aesthetic value as well. So, the size of architectural glass market is continuously expanding in India. Being the third largest flat glass manufacturer in India, this changing dynamics of glass consumption in Real Estate sector is likely to augur well for the Company. Asahi India Glass Ltd (AIG) claims ~18% market share in the flat glass market.

Demand supply mismatch in Flat Glass market: Industry witnessed significant demand surge post pandemic led lock down. Due to disruption in operation there was order backlog by manufacturers. So, as lockdown got lifted and fresh demand started flooding in, manufactures fell to make up the back log and huge surge in fresh demand together. Indian flat glass market is significantly big and growing with change in the user preference But there are only six organized players in this market in India. It created a demand supply mismatch which paved the way for further growth of import. Generally import accounts for ~15% of total flat glass market in the country. According to one industry source, total flat glass capacity in India was 7,250 ton per day in Oct-21. With limited domestic manufacturing capacity, increase in demand and government emphasize for 'Make in India' drive, future for flat glass manufacturers are promising in the country. AIG has taken up a green field project for flat glass manufacturing to cater growing demand of the market.

Capex for flat glass manufacturing capacity: AIG has INR1,500 crore Capex on card over the period 2022-2025 which includes capex of INR250 crore on phase two and three of auto glass plant at Patan, Gujarat. AIG is setting up a green field project for localisation of raw glass for auto & architectural processing. This backward integration will help to manage input cost for the Company. Another green field project for float glass is also coming up. The Company is entering into solar glass manufacturing in large scale with a green field project of 3GW capacity at Mundra, Gujarat in a minority partnership with Vishakha Group. Project work is going on in the site. The Company has technological edge as the parent Company is a pioneer in manufacturing of solar glass for photovoltaic cell.



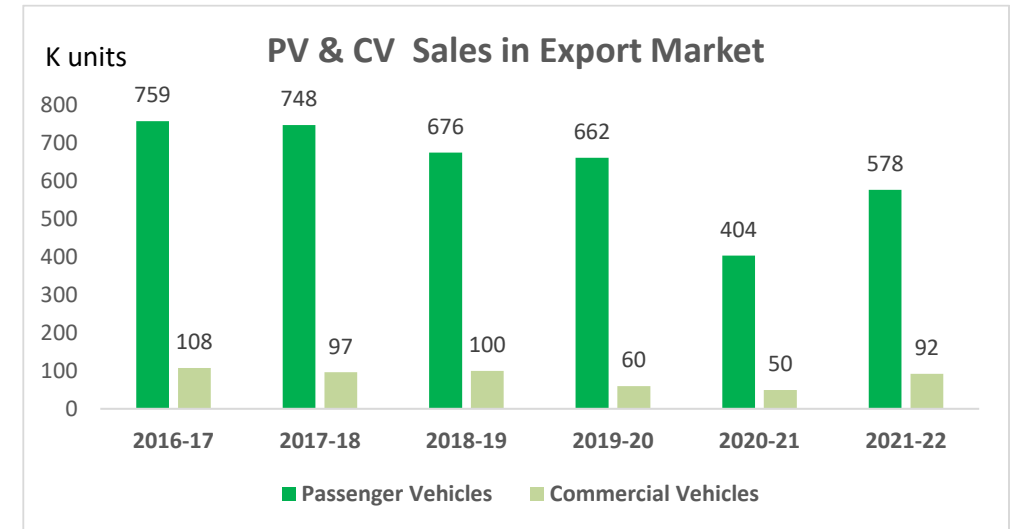
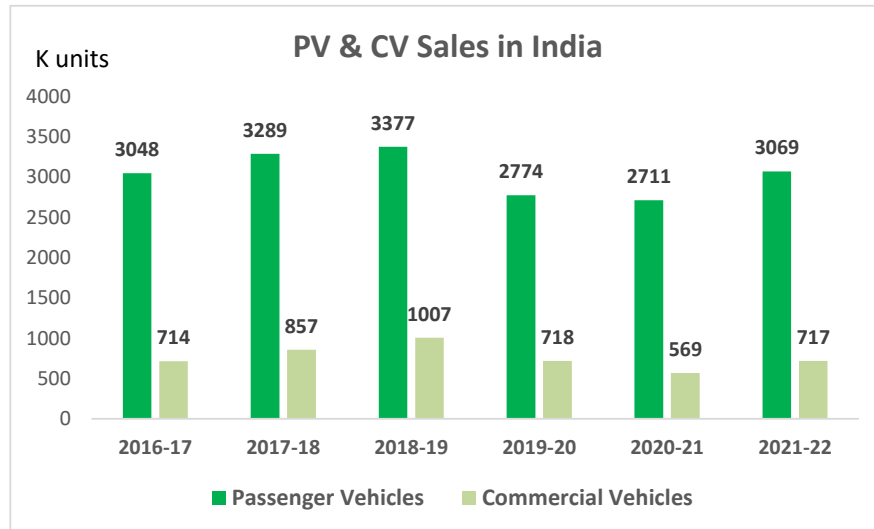


Investment Rationale

Very high container cost hinders import: GOI imposed anti dumping duty on float glass import from various countries in different times. Anti dumping duty for clear float glass import from China has ended in Feb,2021. However, increase in logistic costs astronomically is hindering import. Lastly on 20th August 2020 GOI imposed anti-dumping duty on 4 mm & 12 mm clear float glass import from Malaysia. Barriers in import coupled with GOI emphasize for make in India drive together creates big opportunity for domestic manufacturers.

Changing Dynamics of Automotive market: Automotive market which was skewed towards hatchback earlier has started witnessing change in the market dynamics. Post pandemic hatchback has significantly lost market share to SUV. MUVs have also gained market share post pandemic. SUVs and MUVs are bigger size car with bigger window shield. SUVs often fitted with sunroof. All these are increasing the scope of more quantum of glass application in passenger vehicles. So, opportunity size for automotive glass is continuously growing and AIG being a dominant is likely to be benefitted out of the situation.

Increasing penetration by AIG in the Auto glass market: AIG enjoys majority market share in the PV segment in India. Company has close ties with Maruti as it belongs to promoter group of Company. Company has started focusing to capture more market and hence, it has set up an automotive glass plant in Patan, Gujarat which got commercialized in H2FY22. This plant is a strategic fit for Suzuki Motors Gujarat and to capture export market. Company will further extend its Patan plant for automotive glass manufacturing in Phase II and Phase III over 2023-25 with a budget of INR250 cr. AIG also supplies its products to Suzuki Motors Ltd, Hyundai Motor India Ltd, Tata Motors Ltd, Mahindra and Mahindra Ltd, Toyota Kirloskar Motors, Skoda Auto , Kia Motors India.





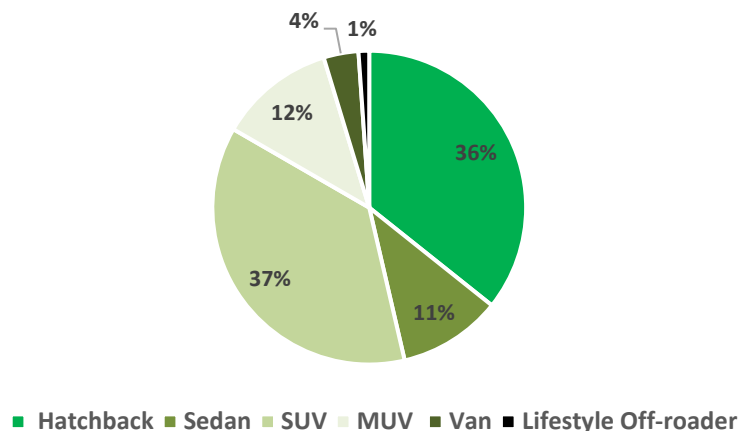
Investment Rationale

Strong product pipeline and upcoming new launches by Maruti will boost growth: Automotive Sector is largest contributor for AIG. AIG claims majority market share in entire Passenger Vehicle(PV) segment in India. Company is a major supplier of Automotive Glasses to Maruti Suzuki Ltd. Production volume of Maruti is quite steady these days. New age Baleno launched by Maruti received very good market response. Booking of the said model stood more than 80,000 units since Feb-22 to May-22. Also Maruti has strong new launch pipeline. Maruti has INR5,000 capex on card in FY23 which will be spent after new launches. Overall outlook for Maruti's production volume and new launches is positive and hence future of AIG looks promising.

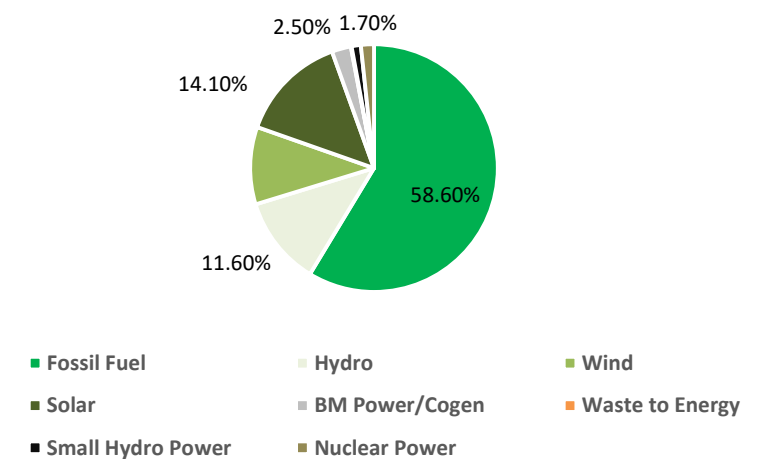
Investment inflow in glass sector is promising: GOI investment towards social infra project (INR 3.65 Lakhs cr by FY 25) & airport (INR 1.43 Lakhs cr by FY 25) has fueled demand in the glass industry for the next 5-6 years. Per capita glass consumption in India is just 1.9 Kg as compared to the global average of 7 Kg per person per year. So there is a big room for growth for Indian glass sector. India is a developing country and with increased urbanization, more number of residential projects and vehicle ownership, the market is likely to witness increase in per-capita consumption of glass. FDI inflow in Indian Glass sector as on Mar-21 stood at USD724.34 million.

Scope in Solar glasses for renewable energy sector: According to Power ministry , in Indian energy basket contribution of renewable energy stood at 39.7% in April-22. Solar energy accounts for 14.1% in the entire energy basket. Considering urge of reducing carbon foot print, series of investments are coming in the renewable energy sector specially in solar energy sector. Solar energy requires specialized flat glass for making solar panels. Hence, flat glass demand is rising significantly. AIG , being a key manufacturer of flat glass in the country and empowered with technology of parent Company AIG Inc., Japan, is well poised to take this opportunity. AIG has started a green field project at Mundra, Gujarat in a minority partnership with Vishakha Group in H2FY22. First phase manufacturing capacity of the plant would be up to 3GW and expected commissioning in next 12-18 months.

OEM Market share in domestic PVs on May-22



Indian energy basket breakup





About Asahi India Glass Ltd

Asahi India Glass started its journey in 1984 on a Joint Venture between the Labroo's Family, Asahi Glass Co. Limited (Currently AGC Inc., Japan) and Maruti Suzuki India Limited (MSIL). The Company started its operations with manufacturing of toughened glass for MSIL. Initially known as Indian Auto Safety Glass Private Limited, the Company changed its name to Asahi India Safety Glass Limited (AIS) in 1985. AIG became public in 1986 and got listed on Indian Stock Exchanges viz National Stock Exchange and Bombay Stock Exchange. Subsequently, with the acquisition of Float glass India Limited, the Company entered into construction glass business as well, and changed its name to Asahi India Glass Limited (AIG) in September 2002.

AIG is a leading integrated Glass & Window solution provider in automotive, building & construction segments. Company manufactures Automotive Glass like Laminated Windscreen, Tempered sidelites, backlites and Value added Glass Products. In Building and Construction segment the Company manufactures float glass, Various Window glass for exterior, interior, processed glass, value added glass and many more. The Company also manufactures glass for White Goods like top lid of Washing Machine, Oven door, shelf, and cooktop.

Facilities

- Roorkee, Uttarakhanda: Float Glass Plant, Automotive Glass Plant, Architectural Glass Plant
- Bawal, Haryana: Automotive Glass Plant
- Faridabad: uPVC Aluminium, Windows Glass Plant
- Patan, Gujarat: Automotive Glass Plant. Patan plant is a strategic fit for western customers, especially for Suzuki Motors Gujarat (SMG) and also for export markets
- Mumbai (Taloja), Maharashtra: Float Glass Plant, Automotive Glass Plant, Architectural Glass Plant. Float glass capacity in Taloja is 550 tons per day
- Chennai, Tamil Nadu: Automotive Glass Plant

Apart from these above mentioned facilities it also has four advanced warehouses and assembly units



Products & Services offered

Automotive Glass Segment: The Company manufactures windscreens, side windows, rear windows, glass sunroofs and other assembled and value-added products for major automobile manufactures in India. In wind screen it manufactures Acoustic Windscreen, IR Cut Windscreen, IR Cut and Acoustic Windscreen, Antenna Printed Windscreen, Heated Windscreen, Head Up Display, Windscreen with Rain Sensor and Windscreen with ADAS.

In sidelites the Company manufactures Dark Green UV Cut Glass, Solar Control Glass, UV Cut Glass, Privacy Glass, Water Repellent Glass, Encapsulated Glass, Plug in Window, Sliding window for Buses and Trucks, IGU for Metro and Railways.

In backlites the Company manufactures Backlite With Defogger, Antenna Printed Backlite, Privacy Glass, Solar Control Glass.

AIS Windshield Experts offer professional car care services which includes Battery Check & Replacement, Car Detailing & Headlight Restoration, Wiper Blade Check & Replacement and Car Care Products which are available in Car Fit Experts Centers across the country. It also provides doorstep services and employ eco-friendly recycling methods.

Architectural Glass Segment: The Company provides wide range of product in this segment. Architectural product portfolio contains clear, tinted and frosted glass, coated glass, decorative glass, processed glass like Laminated, Tempered, Value-added laminated glass and specialty glasses like Fire-resistant, Smart, Fabric laminated, Mesh laminated and Bullet resistant glass. AIG Windows is a segment dealing in the premium door and window solutions. AIG Windows offers a range of glass solutions, which are known for features like noise-cancellation, burglar resistance, energy savings and antipollution, among others. It provides 360-degree solutions beginning from selecting the right door and window glass and frame to installing them. customers get a wide range of choices in glass and window frames (including aluminium and uPVC) which are high on functionality, cutting-edge design and aesthetic appeal.

India's only glass lifestyle solutions provider, brings together an integrated approach and specialised knowledge to glass consultancy, product selection and installation to transform living spaces and commercial spaces. AIG Glasxperts provides a full-service range of glass, window and door solutions. It provides an array of solutions – across annealed glass, coated glass, Fire resistant glass, decorative glass, processed glass and other value -added glass – intended for exterior and interior use in modern architecture. It offers Float glass, Energy efficient Glass, Laminated Glass & uPVC windows frame in its portfolio.

AIG Distribution Services Ltd.(ADSL): ADSL provides aftermarket services to automotive glass segment. It is a joint venture between Asahi India Glass Ltd. and Jamna Auto Industries Ltd headquartered at Gurgaon.

AIG Adhesives Limited: AIG Adhesives Limited deals primarily with the sourcing, procurement and distribution of various kinds of adhesives employed in the sealing of windshields and other automotive glass. It has a manufacturing facility at Baddi (Himachal Pradesh).



Glass Industry

Glass is an inorganic product that is typically produced by melting a mixture of silica (sand, 75 %), soda (around 15 %) and calcium compound (lime, 10 %) with the desired metallic oxides that serve as coloring agents. Glass industry covers products such as flat glass (including sheet glass, float glass, figured and wired glass, safety glass and mirror), glass hollow wares and containers, vacuum flasks, laboratory glassware and fiber glass. Glass products are used widely in households, construction, laboratories and consumer items such as bangles, beads, pearls, etc.

According to glass type, glass industry consists of four types. Container glass, Specialty glass, Flat glass and Fiber glass. According to IBEF container glass accounts for 45%, specialty glass accounts for 33%, flat glass accounts for 16% and fibre glass accounts for 6% in entire glass market.

Glass has four value chains: Industrial, solar, architectural and automotive. Among 65% share goes to building and construction industry globally. Per capita glass consumption in India is just 1.9 Kg as compared to the global average of 7 Kg per person per year. So there is a big room for growth for Indian glass sector.

FDI inflow in Indian Glass sector stood at USD724.34 million as on March-21.

Flat Glass Industry: Global flat glass market is said to be USD 40 billion in 2020. Out of total production, ~70% was consumed in windows for buildings, ~10% in glazing products for automotive applications and ~20% was used in furniture and other interior applications. Flat Glass segment comprises of sheet plate float glass for residential and commercial construction, rolled glass, cast glass and other flat glasses which are used mainly for architectural and automotive applications.

Architectural Glass: Flat glass, commonly called float glass. ~65% of the float glass is consumed in construction and realty sector called architectural glass. About 65% of the architectural segment is clear glass, 15% is tinted and 13-15% is coated glass. Within coated glass, hard coat grabs the largest share. Consumers' approach towards architectural glass is drastically changing with innovation. Coated glass with solar factor under 30 reflects out heat but filters in light with reduced glare. It helps to reduce energy consumption.

Building integrated photovoltaic (BIPV) technology is a new age technology to make clear zero energy building. The technology is still not popular in India but there is high probability that it will be adopted on a large scale in India in near future. Apart from that architectural glass adds lots of aesthetic value hence attracts consumers.

There are 6 architectural glass manufacturing companies in India. Gujarat Guardian Ltd. having Installed capacity 600 tons per day, Asahi India Glass Ltd ,capacity 1,250 tons per day, Saint- Gobain Glass India Ltd ,capacity 3,550 tons per day, Gold Plus Float Glass Industry Ltd, capacity 1,250 tons per day, HNG Float Glass Ltd and Sisecam Flat Glass India Pvt Ltd, capacity 600 tons per day.

The second largest producer Gold plus has taken initiative to set up float & solar glass capacity of 1,900 tons per day at Belagaum, Karnataka . The capex for this green field project is INR2,500 cr and commercial production is likely to start in Jan 2023.

Automotive Glass: Automotive glass consists of windscreens, side windows, rear windows, glass sunroofs, sidelites, backlites with many variants. AIG is a market leader in the PV segment tied up with many OEMs. Saint Gobain supplies its automotive glasses mainly to 3-wheelers segment.



Aftermarket & Acquisition

AIG Windshield Experts is India's largest automotive glass repair and replacement service brand. It has partnered with nearly all insurance companies in India to manage their automotive glass repair and replacement claims.

The Company has agreed to purchase 100% equity shares of Shield Autoglass Ltd(SAL) from its existing shareholders. In this acquisition AIG will purchase 10 shares of SAL from Mr.Sanjay Labroo, promoter & Director of Asahi which is 0.0005% of the paid up capital of SAL. The Company will purchase 45% shares from Allied Fincap Services Pvt Ltd . Mr. Sanjay Labroo & Mr. B.M.Labroo are the common directors for both the Companies. The Company will also purchase another 45% equity from Auto Glass Company Ltd, Japan which is a group Company of AGC Ltd, Japan, a promoter of AIG. The board has approved INR52.42 cr for acquisition of 100% stake in the target Company.

SAL is pioneer as last mile windshield repair and replacement service provider running 95 stores across India. The Company operates COCO (Company Owned Company Operated) & FOCO (Franchise Owned Company Operated) Model as well as operates through mobile vans. SAL has recently ventured into allied original replacement parts for 4 wheelers like battery, wipers etc. In FY21 the Company had a revenue of INR31.28 cr.



Financial & segment performance

Financial performance: Topline of the Company jumped 30% in FY22 at INR3173 cr., which was driven by robust growth in float glass segment. Cost of raw material has come down to 29% from 33% in the pre pandemic period. Gross margin of the Company expanded by ~600 bps at 71% in FY22.

EBITDA of the Company jumped 71% in FY22 at INR764 cr. This is the highest ever EBITDA reported by the Company. EBITDA margin also expanded ~570 bps at 24.1%. Bottomline of the Company jumped 2.7 times at INR334.4 cr. Net profit margin also expanded 540 bps at 10.4%.

Segment Revenue: AIG reports three segments. Automotive Glass, Float Glass and others. During FY22, automotive glass segment contributed 49%, float glass segment contributed 46% and others segment contributed around 5% to the topline of the Company.

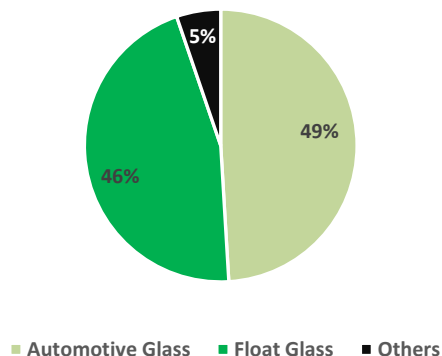
Due to slowdown in the automobile sector, auto glass sector also got a hit. In FY22, this segment reported 20% growth, however revenue from the segment is yet to touch pre covid levels.

Auto glass margin has also shrunk over the period. During FY20 Automotive glass margin stood at 10%, contracted ~300 bps compared to FY21.

Float glass revenue jumped at highest level in FY22. Compared to FY21, revenue from this segment jumped by 40%. Profit margin from float glass segment expanded 1,300 bps in FY22 over previous year at 30%.

Domestic & Export Revenue: Domestic revenue contributes ~94-95% while export revenue contributes ~5-6% for the Company. AIG exports float glass to Sri Lanka, Africa, the Middle East, the US, Brazil, Japan and Europe.

AIG Revenue Breakup



Asahi India Glass Ltd: Promoter Holding

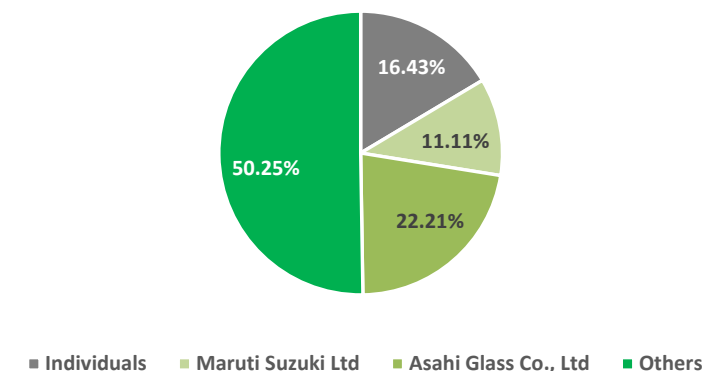
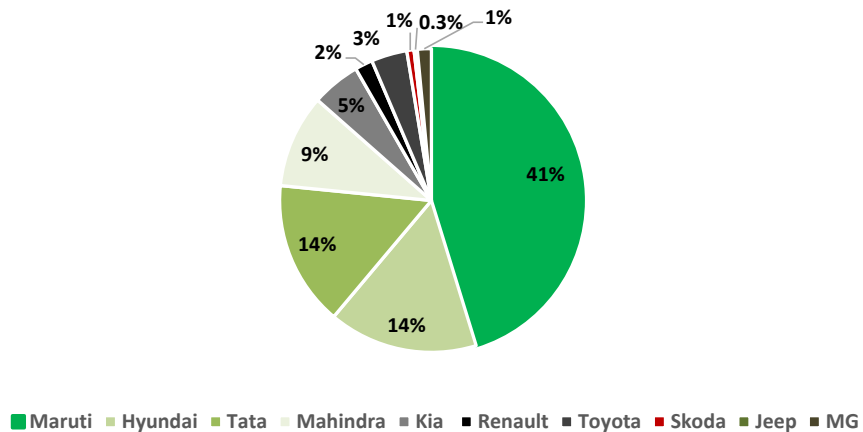


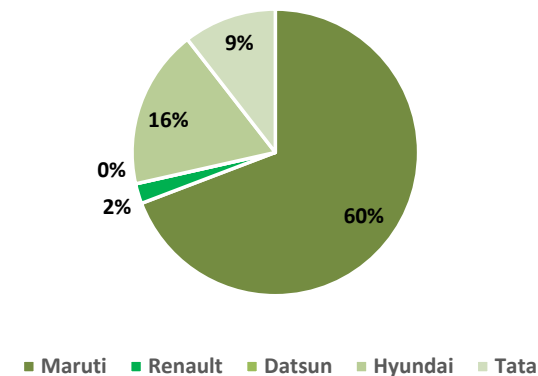


Chart Scan

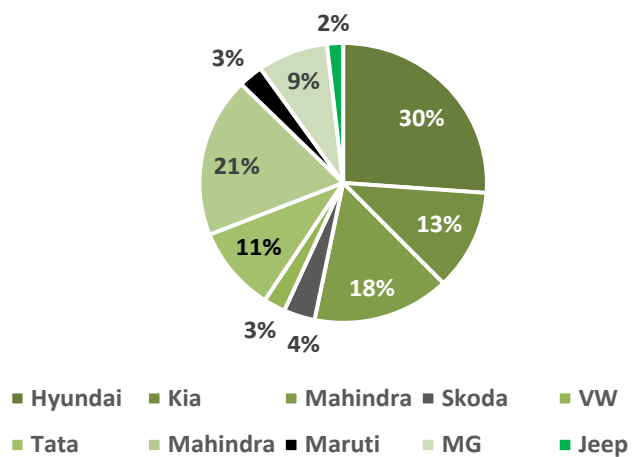
OEM wise PV market share in May-22



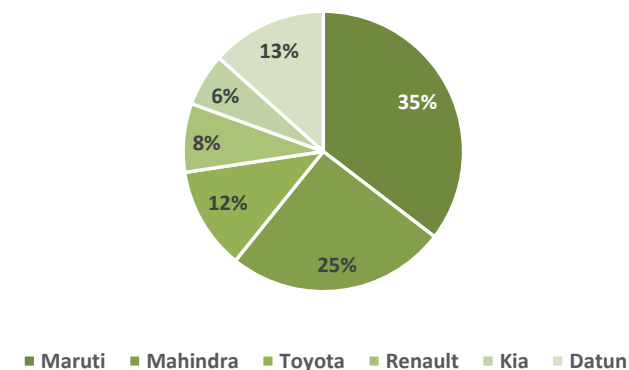
Market share in the Hatch back segment in May-22



Market share in SUV segment in May-22



Market share in MUV segment in May-22





Peer Analysis

Peer Companies as per FY22 figures	MktCap	Promoter holding	Revenue FY22	Gross Margin	EBITDA	EBITDA Margin	PAT	Pat Margin	EPS	P/E	ROA
	in INR cr	(%)	in INR cr	(%)	in INR cr	(%)	in INR cr	(%)	INR	(x)	(%)
Asahi India Glass Ltd	12,932.92	54.24%	3173.33	71%	763.57	24%	331.37	10%	14.18	37.52	8.77%
Saint Gobain Sekurit Ltd	720.60	75.00%	151.29	56%	33.83	22%	19.8	13%	2.17	34.05	9.66%
Borosil Ltd	3,111.95	70.44%	839.86	63%	143.60	17%	96.44	11%	8.44	30.67	10.08%
Borosil Renewables Ltd	7,842.10	61.69%	644.22	82%	244.50	38%	165.85	26%	12.72	48.20	15.71%

Peer Companies as per FY22 figures	ROE	ROCE	BVPS	EV	P/BV	D/E	EV/EBITDA	Receivable	Payable	Inventor	Cash
	(%)	(%)	INR	INR cr	(x)	(x)	(x)	days	days	y days	Conversi on Cycle
Asahi India Glass Ltd	18.80%	12.29%	72.50	14,048.12	5.89	0.49	18.40	29	237	259	50
Saint Gobain Sekurit Ltd	11.01%	12.62%	19.75	725.00	3.75	0	19.20	66	63	72	74
Borosil Ltd	12.57%	9.49%	67.18	3,108.00	3.86	0.00	18.30	30	54	171	146
Borosil Renewables Ltd	21.13%	16.00%	60.19	7,987.00	10.18	0.18	30.10	37	79	153	111



Outlook

Increase in disposable income, changing life style towards owning car, changing dynamics of the PV segment shifting towards SUV from hatchback, revival in the automobile market are likely to push for expansion of automotive glass market in India. Being a pioneer in the PV segment of auto glass, AIG is likely to be major beneficiary.

Recovery in real estate market, rapid urbanization, more adoption of architectural glass in real estate sector, emergence of glass to conserve energy in the building & customers' preference due to aesthetic appeal are driving flat glass market. AIG is well poised to take opportunity of the changing dynamics and shift in the market.

The Company is increasing its capacity with green field project to deepen penetration and to cater more market. AIG is foraying into solar glass sector to capture growing opportunity in this renewable energy sector.

The financial performance of the company is steady and return ratios started improving.

Valuation

AIG is currently trading at 19.7x of FY24E EPS 27.01. Considering above rationale we are **assigning P/E of 26x to FY24E EPS and arriving at a price target of 702.**

Risk

- Slowdown in the Auto sector specially in the PV segment may act as a threat to the performance of the Company. Around 90% of the Automotive glass goes to Maruti. This higher concentration is a risk to the Company as AIG's performance is highly correlated with Maruti's production number
- AIG's float glass business is highly correlated with the performance of realty sector. Increase in Interest rate and in turn increase in the lending rate may produce headwind for the Company.



Financial Statements

Profit & Loss Statement of AIG in INR cr	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Total Income From Operations	2637.24	2914.34	2644.85	2434.34	3173.33	3943.43	5002.61
% growth		10.51%	-9.25%	-7.96%	30.36%	24.27%	26.86%
Consumption of Raw Materials	888.36	960.50	875.99	716.39	929.55	1183.03	1550.81
Purchase of Traded Goods	37.85	22.58	13.70	19.33	23.49	31.55	42.52
increase/decrease in stock	6.50	-59.05	-39.83	106.09	-36.78	-43.44	-96.71
Gross Margin	64.63%	68.29%	67.87%	65.42%	71.13%	70.30%	70.08%
Power & Fuel	329.46	458.18	399.24	306.33	466.43	630.95	795.42
Employees Cost	267.84	279.81	270.62	262.96	289.48	315.47	375.20
Other Expenses	639.20	740.53	688.81	575.51	737.59	899.10	1135.59
Total Expenses	2169.21	2402.55	2208.53	1986.61	2409.76	3016.67	3802.82
EBITDA	468.03	511.79	436.32	447.73	763.57	926.76	1199.79
Margin	17.75%	17.56%	16.50%	18.39%	24.06%	23.50%	23.98%
Growth % YoY		9.35%	-14.75%	2.62%	70.54%	21.37%	29.46%
Depreciation	94.77	118.52	137.06	132.27	159.69	177.54	201.00
EBIT	373.26	393.27	299.26	315.46	603.88	749.22	998.79
Interest	123.74	135.21	146.06	143.15	120.96	137.33	148.93
Other Income	20.06	17.57	11.28	23.14	16.40	19.72	27.51
EBT	269.58	275.63	164.48	195.45	499.32	631.61	877.38
Exceptional Items	-4.88	-2.64	-3.51	0.00	0.00	0.00	0.00
EBT after exceptional item	264.70	272.99	160.97	195.45	499.32	631.61	877.38
Tax	92.99	92.12	19.45	74.20	167.95	158.98	220.84
Tax rate%	35.13%	33.74%	12.08%	37.96%	33.64%	25.17%	25.17%
PAT	176.59	183.51	145.03	121.25	331.37	472.63	656.54
Margin	6.70%	6.30%	5.48%	4.98%	10.44%	11.99%	13.12%
Growth % YoY		3.92%	-20.97%	-16.40%	173.29%	42.63%	38.91%



Balance Sheet of AIG in INR cr	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
TOTAL SHARE CAPITAL	24.31	24.31	24.31	24.31	24.31	24.31	24.31
Other Equity	1051.26	1191.38	1277.93	1415.46	1738.16	2162.17	2755.56
TOTAL SHAREHOLDERS FUNDS	1075.57	1215.69	1302.24	1439.77	1762.47	2186.48	2779.87
Minority Interest	-9.37	-11.27	-13.74	-16.15	-18.17	-18.17	-18.17
Long Term Borrowings	910.91	1099.28	1108.69	1000.92	866.51	677.70	582.67
Other Long Term Liabilities	114.02	20.65	58.49	53.48	52.07	59.15	80.04
TOTAL NON-CURRENT LIABILITIES	1025.71	1129.80	1177.96	1061.22	951.67	769.95	695.80
Short Term Borrowings	358.43	325.07	279.45	254.55	336.59	372.61	398.39
Trade Payables	586.57	638.41	578.03	639.24	618.12	722.96	887.41
Other financial Liabilities	235.61	384.98	532.21	389.97	125.02	433.78	700.37
TOTAL CURRENT LIABILITIES	1189.44	1355.25	1396.54	1288.51	1080.71	1530.33	1987.14
TOTAL CAPITAL AND LIABILITIES	3281.35	3689.47	3863.00	3773.35	3776.68	4468.58	5444.64
NON-CURRENT ASSETS							
Tangible Assets	1898.35	1946.86	2027.72	2214.44	2318.16	2640.62	2939.62
Capital Work-In-Progress	114.28	452.53	488.62	262.44	90.77	132.03	205.77
Non-Current Investments	41.91	48.16	55.01	68.06	84.95	94.53	131.31
TOTAL NON-CURRENT ASSETS	2193.17	2559.56	2701.16	2630.74	2549.58	2943.33	3367.43
CURRENT ASSETS							
Investment	0.00	0.00	0.00	0.50	0.00	0.00	0.00
Inventories	614.25	690.99	722.12	654.31	716.09	854.41	1102.80
Trade Receivables	322.51	269.51	261.17	268.19	245.57	306.71	375.20
Cash And Cash Equivalents	17.13	21.59	14.16	57.70	87.90	145.71	327.13
OtherCurrentAssets	131.32	146.02	161.84	156.66	163.61	201.12	250.13
TOTAL CURRENT ASSETS	1088.18	1129.82	1161.84	1142.61	1227.10	1525.26	2077.21
TOTAL ASSETS	3281.35	3689.38	3863.00	3773.35	3776.68	4468.59	5444.65



Cash Flow Statement of AIG in INR cr	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Net Profit before tax	280.39	170.69	204.86	510.71	631.61	877.38	1205.75
Adjustments for :							
Depreciation & Amortization	118.58	137.54	132.61	159.69	177.54	201.00	223.58
Finance Costs	135.21	146.06	143.15	120.96	137.33	148.93	163.53
Operating profit before working capital changes	525.91	202.56	174.88	166.03	248.40	295.48	345.99
Changes in Working Capital	-11.38	-135.80	126.65	-18.09	-150.78	-237.06	-194.00
Cash generated from operations	514.53	310.61	591.84	754.56	814.01	999.70	1381.15
Income Taxes paid	-90.78	-17.47	-75.28	-168.50	-158.98	-220.84	-303.49
Net cash generated by Operating activities	423.75	293.14	516.56	586.06	655.04	778.86	1077.66
Cash flow from Investing activities							
Purchase of Property, Plant and Equipments	-512.49	-227.33	-104.49	-101.41	-144.41	-116.77	-120.86
Proceeds from Sale of Property, Plant and Equipment	8.26	24.64	20.76	24.54	24.54	24.54	24.54
Net cash used in Investing activities	-511.78	-213.72	-84.03	-79.27	-119.87	-92.23	-96.32
Cash flow from Financing activities							
Proceeds / (Repayment) of Long-Term Borrowings (Net)	408.35	392.02	314.22	202.69	258.46	230.57	244.51
Proceeds / (Repayment) of Short Term Borrowings (Net)	-33.36	-45.62	-24.90	-229.54	-127.22	-178.38	-152.80
Dividend and tax on dividend on Equity Shares paid	-43.96	-58.61	0.00	-24.32	-48.62	-45.96	-63.16
Net cash used in Financing activities	90.81	-93.23	-381.52	-478.62	-473.25	-505.21	-525.50
Net increase in Cash & cash equivalents (A+B+C)	2.78	-13.81	51.01	28.17	61.92	181.42	455.84
Cash & cash equivalent - Opening Balance	15.64	18.42	4.61	55.62	83.79	145.71	327.13
Cash & cash equivalent - Closing Balance	18.42	4.61	55.62	83.79	145.71	327.13	782.97



Ratio Analysis of AIG	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
EPS	7.30	7.82	6.32	5.47	14.18	19.44	27.01
P/E	72.88	68.03	84.18	97.26	37.52	27.36	19.70
ROA	5.38%	4.97%	3.75%	3.21%	8.77%	10.58%	12.06%
ROE	16.42%	15.10%	11.14%	8.42%	18.80%	21.62%	23.62%
ROCE	11.57%	11.16%	10.67%	7.88%	14.87%	19.08%	21.62%
BVPS	44.24	50.01	53.57	59.23	72.50	89.94	114.35
EV	14185.13	14335.68	14306.90	14130.69	14048.12	13837.52	13586.85
P/BV	12.02	10.64	9.93	8.98	7.34	5.91	4.65
D/E	0.85	0.90	0.85	0.70	0.49	0.31	0.21
Interest Coverage Ratio	3.02	2.91	2.05	2.20	4.99	5.46	6.71
EV/EBITDA	30.31	28.01	32.79	31.56	18.40	14.93	11.32



Disclaimer and Disclosure

Rating	% upside
Accumulate	0-10%
Buy	10-20%
Strong Buy	above 20%

Glossary

Abbreviation	Full form	Abbreviation	Full form	Abbreviation	Full form
IAF	Indian Air Force	LCA	Light Combat Aircraft	ALH	Advanced Light Helicopter
IA	Indian Army	LUH	Light Utility Helicopter	OEM	Original Equipment Manufacturer
IN	Indian Navy	LCH	Light Combat Helicopter	ROH	Repair & Overhaul

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