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Apex Auto Components Pvt. Ltd.: Relative Valuation

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In the fiscal year 2023-2024, a prominent investment firm, Metro Capital Advisors, headquartered in Mumbai, India, embarked on a strategic endeavour with a thriving player in the automotive industry. Metro Capital Advisors, sought to bolster its presence and drive expansion in the dynamic landscape of the automobile ancillary sector. Fuelled by aspirations to fortify market share and cultivate revenue streams across both the two-wheeler and four-wheeler vehicle segments, Metro Capital Advisors set its sights on strategic acquisitions.

Tasked with this pivotal mission was Priya Sharma, a seasoned financial analyst with Metro Capital Advisors. Priya was entrusted with the intricate responsibility of meticulously identifying potential acquisition targets and conducting comprehensive valuation analyses to ascertain the intrinsic value and viability of these targets. Drawing upon a repertoire of financial acumen and industry expertise, Priya was poised to navigate the intricate nuances of the market terrain.

Harnessing a multifaceted approach, Priya embarked on a journey of exploration, leveraging two robust valuation methodologies: comparable company analysis and comparable transaction analysis. Armed with diligence and precision, Priya meticulously assessed various prospects, aligning each evaluation with the strategic objectives and vision of our client.

Following the client's strategic goals, Priya identified a promising opportunity with Apex Auto Components Pvt. Ltd. (Apex). Apex could effectively enhance the client's portfolio and support their growth in the automotive sector. Priya worked diligently to create a persuasive case, based on thorough analysis and strategic planning, making Apex the perfect partner for the client's expansion plans.

Introducing Apex Auto Components Pvt. Ltd.: Pioneers in Automotive Innovation

Established in 1983, Apex Auto Components Pvt. Ltd. stands as a beacon of excellence in the realm of integrated auto component manufacturing. Renowned for its end-to-end solutions, spanning from design inception to final delivery, Apex boasts a rich portfolio of aluminium and ferrous machined components and assemblies. With a global footprint, the company serves a diverse clientele of Original Equipment Manufacturers (OEMs) and Tier-1 customers, including esteemed names such as Honda, Hero, Bajaj, Maruti, Ford, and General Motors.

Diverse Product Range: Apex's integrated services encompass design, development, tooling, casting, machining, assembly, and research across a spectrum of aluminium & ferrous products and electric vehicle offerings. Notable products include clutches, panels, housings, and cutting-edge electric vehicle components.

Global Reach: The company's revenue distribution in FY22 reflects a robust presence, with India accounting for 75% of operations and the remaining 25% attributed to international markets.

Revenue Composition: Engine components command a significant share of 38%, followed by transmission at 22%, chassis at 33%, and a burgeoning electric segment constituting 12% of the revenue mix. Notably, aluminium components dominate the revenue stream, contributing 88% to the business, with ferrous products making up the remaining 12%.

State-of-the-Art Facilities: Apex prides itself on a network of 15 cutting-edge manufacturing facilities equipped with in-house tooling and die manufacturing capabilities. With the capacity to produce over 250 dies and patterns, and 800 die inserts annually, Apex stands as a paragon of manufacturing prowess.

Innovative Research & Development: A dedicated R&D team spearheads innovation, focusing on e-mobility, transmission & engine parts, and 2-wheeler clutches with paper-type friction material. Despite its relentless pursuit of innovation, R&D expenditure remains modest, constituting approximately 1% of the total turnover.

Expansion and Digitization: Apex's strategic imperatives underscore a steadfast commitment to digitization and technological advancement. Embracing a forward-looking approach, the company remains steadfast in its mission to deliver innovative, technologically advanced, and best-in-class products, with a particular emphasis on the burgeoning domain of electric and electrified vehicles.

With a compelling narrative of innovation, reliability, and customer-centricity, Apex Auto Components Pvt. Ltd. emerges as a trailblazer in the automotive ancillary landscape, poised to shape the future of mobility.

Joint Ventures and Technological Excellence

With a legacy dating back to 2005, Apex Auto Components Pvt. Ltd. has emerged as a formidable force through strategic partnerships and technological prowess. Anchored by a commitment to excellence, Apex has forged joint ventures with industry stalwarts to manufacture a diverse array of automotive components, catering to passenger cars, motorcycles, scooters, power equipment products, and industrial applications.

Joint Ventures:

Nippon Leakless Apex Private Limited: A collaborative endeavour established in 2005, this 40:60 partnership between Apex and Nippon Leakless Corporation, Japan, specializes in the production of gaskets, catering to a wide spectrum of automotive and industrial needs.

Magneti Marelli Apex Chassis System Private Limited: Formed in 2011 through a 50:50 joint venture with Sistemi Sospensioni, SPA, Italy, this alliance focuses on the manufacturing of critical chassis components, including control arms, steering knuckles, front cross-members, and rear twist-beam axles, exemplifying a commitment to precision engineering and quality craftsmanship.

Apex Maурго Rubber Private Limited: Marking another milestone in 2012, Apex forged a 50:50 joint venture with Marugo Rubber Industries, Japan, to produce essential automotive components such as suspension bushes, strut mounts, engine mounts, and hoses, fostering a culture of innovation and reliability.

Technological Collaborations:

In addition to its joint ventures, Apex has cultivated strategic alliances with renowned technology partners, including Sanwa Packaging, Japan, and Interface Solutions, United States. These partnerships underscore Apex's unwavering commitment to harnessing cutting-edge technologies and methodologies to deliver superior products and solutions to its discerning clientele.

Manufacturing Excellence:

Strategically located across key industrial hubs in Faridabad (Haryana), Sitarganj (Uttarakhand), Pune (Maharashtra), Bawal (Haryana), and Haridwar and Manesar (Haryana), Apex's state-of-the-art manufacturing facilities serve as the cornerstone of its operational efficiency and production prowess.

Valuation Approach

In the pursuit of strategic insights and informed decision-making, metro's financial analyst, sharma, embarked on a meticulous valuation journey. Employing a relative valuation methodology, sharma delineated two distinct approaches: comparable company analysis and comparable transaction analysis. Leveraging three key valuation metrics—enterprise value-to-sales (EV/sales), EV-to-earnings before interest, tax, depreciation, and amortization (EV/EBITDA), and price-to-earnings per share (P/E ratio)—sharma endeavours to unravel the intrinsic worth and potential of Apex Auto Components Pvt. Ltd.

Comparable Firm Selection

Summit Automotive Innovations Ltd

Since its establishment in 1982, Summit Automotive Innovations Ltd (SAIL) has remained a pioneer in crafting state-of-the-art clutch products and hydraulic systems. As the leading entity within the Summit Group, SAIL exemplifies excellence in both engineering prowess and quality assurance. Holding certifications under the IATF 16949, ISO 14001, and OHSAS 18001 standards, SAIL stands as a Tier I supplier renowned for its premium Lipe brand clutches for commercial vehicles and meticulously engineered components tailored for various applications.

Product Range:

SAIL's offerings encompass:

Clutches for Medium Commercial Vehicles, Heavy Commercial Vehicles, and Farm Tractors.

Castings, encompassing clutch components, flywheel assemblies, brake drums/discs, ventilated brake discs, engine mounting brackets, shackles, ARB brackets, and safety components such as brake calipers/carriers.

Clientele:

SAIL prides itself on a distinguished clientele, including industry titans such as Tata Motors, Bharat Benz, Ashok Leyland, Mahindra & Mahindra, and Volvo – Eicher Commercial Vehicles, among others.

Global Reach:

With a strategically dispersed presence across the globe, SAIL operates through four overseas subsidiaries, namely Setco Automotive (UK) Ltd, Setco Automotive (NA) Inc., Setco MEA DMCC (Dubai), and WEW Holdings Ltd (Mauritius). Complemented by its manufacturing units in India, the United Kingdom, and the United States, SAIL's international footprint remains robust and expansive.

Strategic Endeavors:

SAIL's unwavering dedication to operational excellence and fiscal prudence is evident through its proactive measures, encompassing debt restructuring, fixed cost reduction, and effective management of promoter pledges. The company's pursuit of resource optimization and operational streamlining underscores its resilience and adaptability within a dynamic business environment.

Recent Progress:

Significant developments include the appointment of Mr. Kuldeep Singh as Chief Financial Officer and the successful execution of a debt restructuring plan for its subsidiary, Lava Cast Pvt Ltd. Moreover, SAIL's strategic decision to transition its clutch manufacturing business to Setco Auto Systems Private Limited underscores its forward-thinking approach and commitment to enhancing operational efficiency.

Fueled by a culture rooted in innovation, reliability, and customer-centricity, Summit Automotive Innovations Ltd remains steadfast in setting new industry benchmarks, poised to redefine the future landscape of automotive components and mobility.

Elevate Precision Automotive Innovations

Elevate Precision Automotive Innovations is a pioneering force in the automotive technology domain, headquartered in India. With a rich legacy tracing back to its inception in 1982, the company specializes in the design, production, and distribution of precision-engineered automotive systems and components. Its extensive product line includes a diverse array of offerings such as differential assemblies, gears, conventional and micro-hybrid motors, BSG systems, and EV traction motors, catering comprehensively to all vehicle segments.

Origins in Joint Ventures:

Originally established as Sona Okegawa Precision Forgings Ltd in 1982, the company commenced as a joint venture with Mitsubishi Metal Corporation Ltd. Through evolution, it transformed into Sona BLW Precision Forgings before terminating its collaboration with Mitsubishi Metal in 2016. In FY19, the acquisition of Comstar entities led to the establishment of Sona Comstar, broadening its product portfolio.

Product Diversity:

Elevate Precision Automotive Innovations offers a varied product range categorized into driveline components and motors. Driveline components encompass differential assemblies and precision-forged gears, while the motors segment includes conventional and micro-hybrid starter motors, EV traction motors, and motor control units tailored for diverse vehicle applications.

Global Market Presence:

The company enjoys a robust presence in international markets, commanding significant market shares, with 8.1% in differential gears and 4.2% in starter motors as of 9MFY24. Its geographical footprint spans across India, North America, Europe, Asia, and other regions.

Clientele:

Elevate Precision Automotive Innovations boasts a prestigious clientele, counting Ashok Leyland, Daimler, Mahindra & Mahindra, Renault Nissan, Maruti Suzuki, and Volvo among its partners. Notably, the company derives 79% of its revenue from its top 10 customers, emphasizing its commitment to nurturing enduring partnerships.

Research & Development:

With substantial investments in research and development, the company allocated 5.8% of FY21 revenues to R&D initiatives. Collaborations with industry leaders like IRP Nexus Group underscore Elevate Precision Automotive Innovations' dedication to innovation and technological advancement.

Strategic Growth Endeavors:

Elevate Precision Automotive Innovations strategically focuses on expanding its market presence, particularly in the light passenger and commercial vehicle segments, as well as electric buses. Plans to penetrate European and Chinese markets underscore its commitment to global expansion and market diversification.

New Orders & Innovations:

The company's robust order book, valued at approximately Rs. 24,000 crores at Q3FY24, includes substantial orders for electric 2-wheelers, SUVs, and passenger vehicles. Moreover, recent product introductions such as the Integrated Motor Controller reflect Elevate Precision Automotive Innovations' proactive stance in meeting evolving market needs.

Sustainable Energy Initiatives:

Embracing sustainability, Elevate Precision Automotive Innovations has forged agreements to establish captive solar power plants, showcasing its dedication to environmentally conscious operations and reducing its carbon footprint.

Elevate Precision Automotive Innovations continues to lead the automotive technology landscape, driven by innovation, customer-centricity, and an unwavering commitment to excellence.

Peak Automotive Suspension Innovations

With a heritage spanning back to its inception in 1954, Peak Automotive Suspension Innovations has established itself as a leading manufacturer and supplier of suspension systems catering to all sectors of commercial vehicles. Offering a comprehensive range of suspension solutions, Peak serves a diverse clientele spanning OEM, after-market, and international markets.

Comprehensive Product Range:

Peak provides an extensive lineup of suspension solutions, including leaf springs, spring allied components, lift axles, trailer mechanical and air suspensions, stabilizer bars, Z-springs, and a new line of agricultural-based products such as fertilizer broadcasters, NODO brackets, rotavators, and cultivators.

Manufacturing Capacity:

With ten operational manufacturing facilities and two in development in Adityapur and Indore, Peak boasts a robust production capacity of 30 Lac MT, ensuring timely delivery of high-quality suspension components to meet market demands.

Global Market Reach:

Peak's reach extends to international markets, with exports to countries like Portugal and Hungary in FY22. Furthermore, the company has expanded its distribution network in key regions including Germany, Russia, Turkey, and the UK, reaffirming its dedication to serving global markets.

Diverse Client Base:

Enjoying partnerships with industry leaders such as Ashok Leyland, Force, Bharat Benz, Isuzu, Mahindra, Renault Nissan, Tata Motors, Volvo, and others, Peak maintains strong relationships across the commercial vehicle sector.

Strategic Endeavors:

Peak has undertaken various strategic initiatives to bolster its market position and operational efficiency. This includes substantial investments in capacity expansion, notably with a new plant in Adityapur through its wholly-owned subsidiary, Jai Suspension Limited. Additionally, Peak is leveraging innovative sales channels like JAI Shoppe to directly engage with customers at trucking centers, ensuring seamless access to its trailer suspension products.

Future Objectives:

With ambitious targets set for FY27, Peak aims to increase the contribution from new products and markets while enhancing Return on Capital Employed (ROCE) and dividend payouts. Through expanding its product portfolio and market reach, Peak is primed for sustained growth and continued leadership in the automotive suspension sector.

Peak Automotive Suspension Innovations remains committed to delivering unmatched quality, reliability, and innovation in vehicle stability, propelling the industry forward with each suspension solution it delivers.

Peak Auto Innovations Ltd (PAIL)

Since its inception in 1989, Peak Auto Innovations Ltd (PAIL) has been a cornerstone in the production of precision automobile components servicing heavy commercial vehicles and passenger vehicles. As an esteemed member of the R.L. Group of Industries, PAIL stands as a vertically integrated enterprise, specializing in the manufacturing of precision-engineered forging components, hand tools, and leaf springs for prominent auto and non-auto OEMs.

Diverse Product Range:

PAIL offers an extensive array of products encompassing hand tools such as spanners, wrenches, automotive and industrial tools, forging components for automotive and non-automotive sectors, tool kits, and various types of leaf springs including multi-leaf and parabolic leaf springs.

Manufacturing Capacity:

Operational from its cutting-edge production facilities in Aurangabad, PAIL boasts an installed capacity of 30,700 MTPA, ensuring the efficient production of top-notch automotive components to fulfill market demands.

Global Client Base:

PAIL has cultivated strong partnerships with esteemed clients like Harbor Freight Tools, Ashok Leyland, Volvo, Eicher Commercial Vehicle, York Transport Equipment, and Bajaj Auto. Its reputation for excellence has facilitated exports to key markets including the USA, Canada, Mexico, Europe, Turkey, Egypt, Japan, and Australia.

Revenue Structure:

In FY22, PAIL's revenue structure highlighted its dedication to product sales, constituting approximately 94% of total revenues. Geographically, export sales made a significant contribution, comprising around 30% of total revenues, while domestic sales mirrored this proportion.

Operational Updates:

PAIL's commitment to operational excellence is evidenced by its recent transition of auditors, with M/s Jaju and Kabra stepping down as statutory auditors and being succeeded by M/s GSA & Associates LLP on August 6th, 2022. This strategic move underscores PAIL's commitment to upholding transparency and compliance in its financial operations.

Peak Auto Innovations Ltd continues to be a trusted ally in the automotive sector, celebrated for its engineering acumen, dependability, and dedication to delivering premium quality products to clients across the globe.

Exhibit: 1

Summit Automotive Innovations Ltd- Income Statement					
INR Mn except EPS	FY'19	FY'20	FY'21	FY'22	FY'23
Revenue					
Net sales	13899	16782	17047	17225	17710
Other income	25	17	38	66	87
Total revenue	13923	16800	17085	17291	17798
Expenses					
Cost of raw materials consumed	10454	12544	12683	12875	13091
Purchases of stock in trade	0	0	0	0	0
Change in inventories of finished goods, work in progress and stock in trade	8	-50	24	-59	-27
Employee benefit expense	590	717	826	949	996
Other expenses	1974	2249	2380	2326	2285
Operating expenses	13025	15460	15912	16090	16346
Earnings before interest, taxes, depreciation, amortization (EBITDA)	873	1323	1135	1135	1365
Depreciation & amortization	282	293	298	306	308
Earnings before interest & taxes (EBIT)	616	1047	875	895	1144
Finance costs	98	121	78	29	4
Profit before tax & exceptional items	517	926	798	866	1139
Exceptional items	0	0	-66	0	8
Tax expense	150	202	78	109	331
Net Profit for the year	368	724	654	757	816
Earning per share (EPS) face value 2	9	18	16	19	20

Estimated Financials		
Particulars (Rs Mn except EPS)	FY'24 (E)	FY'25 (E)
Net sales	19570	21865
EBITDA	1533	1756
Net Profit for the year	897	1045
Earning per share (EPS)	22	26

Exhibit: 2

Summit Automotive Innovations Ltd- Balance Sheet					
INR Mn	FY'19	FY'20	FY'21	FY'22	FY'23
Equities & liabilities					
Shareholders funds					
Share capital	85	85	85	85	85
Reserves & Surplus	2101	2676	3178	3753	4341
Shareholders funds	2186	2761	3263	3838	4426
Non current liabilities					
Long term borrowings	559	227	0	0	0
Deferred tax liabilities (net)	150	153	153	127	92
Long term provisions	6	6	8	16	27
Other long term liabilities	0	0	57	0	0
Non current liabilities	716	387	218	143	119
Current liabilities					
Short term borrowings	58	216	0	0	0
Trade payables	1765	1818	1626	1785	1673
Other current liabilities	407	424	421	170	114
Short term provisions	203	196	206	252	272
Current liabilities	2433	2653	2253	2208	2059
Total liabilities & equity	5335	5801	5734	6189	6604
Assets					
Non current assets					
Fixed assets	0	0	0	0	0
Tangible assets	2709	2616	2629	2489	2255
Intangible assets	34	24	22	20	19
Capital work in progress	92	121	80	5	18
Intangible assets under development	0	0	0	0	0
Non current investments	0	0	0	0	0
Long term loans & Advances	38	37	412	474	425
Other non current assets	9	2	0	1	1
Non current assets	2881	2800	3142	2990	2718
Current assets					
Current investments	0	32	216	323	733
Inventories	396	529	430	531	717
Trade receivables	1540	1896	1526	1906	2192
Cash & bank balances	33	51	193	167	16
Short term loans & Advances	398	400	201	224	188
Other current assets	86	93	26	47	41
Current assets	2454	3001	2592	3200	3886
Total assets	5335	5801	5734	6189	6605

Workings	
Current market price of share	173.3424
Common shares outstanding	4,31,14,610
Market value of equity (Rs 6431 Mn)	7473589972
Net debt (Rs Mn)	-749.21
Enterprise value (Rs Mn)	6724
Enterprise value/Sales (x)	0.34
Enterprise value/EBITDA (x)	4
Price/EPS (x)	7.7

Exhibit: 3

Elevate Precision Automotive Innovations- Income Statement					
INR Mn except EPS	FY'19	FY'20	FY'21	FY'22	FY'23
Revenue					
Net sales	10456	12162	12993	13870	15566
Other income	100	80	43	60	46
Total revenue	10556	12242	13036	13930	15613
Expenses	0	0	0	0	0
Cost of raw materials consumed	7491	8698	9367	10048	11124
Purchases of stock in trade	19	30	44	47	108
Change in inventories of finished goods, work in progress and stock in trade	-66	-26	-93	-107	13
Employee benefit expense	755	856	981	1059	1159
Other expenses	1298	1612	1802	1847	1907
Operating expenses	9497	11170	12102	12894	14310
Earnings before interest, taxes, depreciation, amortization (EBITDA)	958	992	892	976	1256
Depreciation & amortization	236	298	293	291	335
Earnings before interest & taxes (EBIT)	823	774	641	745	967
Finance costs	184	183	132	96	59
Profit before tax & exceptional items	638	591	510	649	908
Exceptional items	-18	83	-64	-45	-6
Tax expense	132	100	32	141	253
Net Profit for the year	488	573	414	462	648
Earning per share (EPS) face value 1	7	8	3	3	5

Estimated Financials		
Particulars (Rs Mn except EPS)	FY'24 (E)	FY'25 (E)
Net sales	19036	21787
EBITDA	1576	1921
Net Profit for the year	932	1176
Earning per share (EPS)	6	8

Exhibit: 4

Elevate Precision Automotive Innovations- Balance Sheet					
INR Mn	FY'19	FY'20	FY'21	FY'22	FY'23
Equities & liabilities					
Shareholders funds					
Share capital	78	78	155	155	155
Reserves & surplus	1933	2415	2613	2919	3354
Shareholders funds	2010	2492	2768	3074	3509
Non current liabilities					
Long term borrowings	606	265	177	103	63
Deferred tax liabilities (net)	169	143	120	103	113
Long term provisions	57	32	61	44	100
Other long term liabilities	0	0	39	0	0
Non current liabilities	832	441	397	251	276
Current liabilities					
Short term borrowings	731	714	536	506	0
Trade payables	1581	1521	1499	1701	2056
Other current liabilities	432	505	600	489	443
Short term provisions	124	127	210	314	361
Current liabilities	2869	2866	2846	3010	2860
Total liabilities & equity	5711	5800	6011	6335	6645
Assets					
Non current assets					
Fixed assets	0	0	0	0	0
Tangible assets	2182	2220	2693	2841	2862
Intangible assets	82	85	60	39	23
Capital work in progress	116	40	69	135	33
Intangible assets under development	0	0	0	0	0
Non current investments	143	0	0	0	0
Long term loans & advances	446	406	321	250	244
Other non current assets	0	0	0	0	26
Non current assets	2970	2751	3144	3264	3188
Current assets					
Current investments	0	0	0	0	0
Inventories	1096	1331	1199	1259	1208
Trade receivables	1017	1341	1310	1466	1857
Cash & bank balances	42	60	80	52	41
Short term loans & Advances	412	288	274	294	346
Other current assets	175	28	5	0	4
Current assets	2741	3049	2867	3071	3457
Total assets	5711	5800	6011	6336	6645

Workings	
Current market price of share	82.8982
Common shares outstanding	15,48,48,167
Market value of equity (Rs 11046 Mn)	12836634344
Net debt (Rs Mn)	21.56
Enterprise value (Rs Mn)	12858
Enterprise value/Sales (x)	0.7
Enterprise value/EBITDA (x)	8.2
Price/EPS (x)	12.8

Exhibit: 5

Peak Automotive Suspension Innovations- Income Statement					
INR Mn except EPS	FY'19	FY'20	FY'21	FY'22	FY'23
Revenue					
Net sales	10286	12712	14450	18392	24003
Other income	157	176	118	181	247
Total revenue	10444	12887	14567	18573	24250
Expenses					
Cost of raw materials consumed	6949	8674	10233	9878	13321
Purchases of stock in trade	0	0	27	2839	2690
Change in inventories of finished goods, work in progress and stock in trade	-102	88	-121	-93	-81
Employee benefit expense	1093	1448	1551	2423	3102
Other expenses	1443	1684	1751	2504	3306
Operating expenses	9383	11894	13442	17552	22338
Earnings before interest, taxes, depreciation, amortization (EBITDA)	903	818	1008	840	1664
Depreciation & amortization	364	433	499	637	900
Earnings before interest & taxes (EBIT)	696	561	626	384	1011
Finance costs	180	213	206	261	270
Profit before tax & exceptional items	516	347	420	123	742
Exceptional items	0	-82	2	16	171
Tax expense	132	3	118	82	209
Net profit	385	262	305	57	704
(-) Share of profit transferred to minority	0	2	6	11	3
(+) Share of profit/loss of associate	0	45	-8	9	26
Net profit for the year	385	305	291	55	727
Earning per share (EPS) face value 10	28	19	19	5	46

Estimated Financials		
Particulars (Rs Mn except EPS)	FY'24 (E)	FY'25 (E)
Net sales	25383	29139
EBITDA	2069	2525
Net Profit for the year	800	1171
Earning per share (EPS)	51	71

Exhibit: 6

Peak Automotive Suspension Innovations- Balance sheet					
INR Mn	FY'19	FY'20	FY'21	FY'22	FY'23
Equities & liabilities					
Shareholders funds					
Share capital	609	209	209	209	209
Reserves & surplus	1533	2876	3121	3148	3729
Minority interest	0	124	133	149	230
Deferred revenue income	0	0	0	9	0
Shareholders funds	2142	3209	3463	3514	4168
Non current liabilities					
Long term borrowings	595	713	956	1483	1048
Deferred tax liabilities (net)	111	5	0	0	0
Long term provisions	80	169	190	255	285
Other long term liabilities	2	6	80	20	32
Non current liabilities	788	894	1226	1759	1365
Current liabilities					
Short term borrowings	1024	1011	871	1511	1202
Trade payables	1508	1911	2333	2666	2877
Other current liabilities	483	594	682	1008	964
Short term provisions	85	107	120	120	169
Current liabilities	3100	3623	4006	5305	5212
Total liabilities	6030	7726	8694	10578	10744
Assets					
Non current assets					
Fixed assets	0	0	0	0	0
Tangible assets	2593	2861	3359	4234	4341
Intangible assets	106	99	74	83	92
Capital work in progress	67	51	448	235	96
Intangible assets under development	8	4	6	1	3
Non current investments	204	234	235	263	284
Deferred tax assets	0	0	15	17	2
Long term loans & advances	143	233	241	222	201
Other non current assets	18	16	49	93	128
Non current assets	3138	3498	4428	5148	5146
Current assets					
Current investments	0	12	0	248	22
Inventories	902	2116	965	1343	1516
Trade receivables	1409	871	2342	2814	3121
Cash & bank balances	247	718	415	300	302
Short term loans & advances	324	481	502	645	586
Other current assets	10	30	41	81	52
Current assets	2892	4228	4266	5430	5598
Total assets	6030	7726	8694	10578	10744

Workings	
Current market price of share	546
Common shares outstanding	1,71,09,287
Market value of equity (Rs 8042 Mn)	9345479528
Net debt (Rs Mn)	2156
Enterprise value (Rs Mn)	11501
Enterprise value/Sales	0.5
Enterprise value/EBITDA	5.6
Price/EPS	10.8

Exhibit: 7

Peak Auto Innovations Ltd (PAI) - Income Statement					
INR Mn Except EPS	FY'19	FY'20	FY'21	FY'22	FY'23
Revenue					
Net sales	13008	15321	15739	16087	16740
Other income	36	33	100	428	52
Total revenue	13044	15354	15839	16515	16792
Expenses					
Cost of raw materials consumed	9244	10609	10825	10838	10951
Purchases of stock in trade	102	118	290	323	212
Change in inventories of finished goods, work in progress and stock in trade	-124	50	-70	-100	-24
Employee benefit expense	956	1220	1356	1447	1571
Other expenses	1257	1440	1562	1655	1703
Operating expenses	11435	13436	13963	14163	14414
Earnings before interest, taxes, depreciation, amortization (EBITDA)	1573	1884	1775	1924	2326
Depreciation & amortization	406	493	631	732	1118
Earnings before interest & taxes (EBIT)	1202	1425	1245	1620	1260
Finance costs	471	495	443	423	335
Profit before tax & exceptional items	731	930	802	1198	925
Exceptional items	63	0	0	0	0
Tax expense	264	278	284	266	288
Net Profit	529	652	519	931	637
(-) Share of profit transferred to minority	49	124	106	191	220
(+) Share of profit/loss of associate	0	0	0	-8	-6
Net Profit for the year	481	528	413	733	411
Earning per share (EPS) face value 1	2	3	2	4	2
	0	0	0	0	0

Estimated Financials		
Particulars (INR Mn except EPS)	FY'24 (E)	FY'25 (E)
Net Revenue from operations	18764	20345
EBITDA	2503	2821
Net Profit for the year	757	718
Earning per share (EPS)	4	4

Exhibit: 8

Peak Auto Innovations Ltd (PAIL) - Balance sheet					
INR Mn	FY'19	FY'20	FY'21	FY'22	FY'23
Equities & liabilities					
Shareholders funds					
Share capital	213	213	213	213	213
Reserves & Surplus	2002	2364	2612	3115	3272
Minority interest	412	548	654	846	1062
Shareholders funds	2627	3125	3480	4175	4547
Non current liabilities					
Long term borrowings	2746	2828	2590	1827	1805
Deferred tax liabilities (net)	381	428	557	566	450
Long term provisions	43	47	58	66	73
Other long term liabilities	3	0	3	3	2
Non Current liabilities	3173	3303	3209	2462	2330
Current liabilities					
Short term borrowings	347	379	758	704	457
Trade payables	2088	2192	2086	2103	2076
Other current liabilities	872	1073	1554	1507	1296
Short term provisions	211	199	204	245	215
Current liabilities	3519	3843	4602	4559	4044
Total liabilities	9318	10271	11291	11196	10920
Assets					
Non current assets					
Fixed assets	0	0	0	0	0
Tangible assets	4895	5588	6234	6161	5896
Intangible assets	153	285	308	326	401
Capital work in progress	157	429	274	681	528
Intangible assets under development	100	67	70	130	153
Goodwill on consolidation	12	16	26	0	0
Non current investments	318	318	318	10	13
Long term loans & advances	231	244	148	111	78
Other non current assets	3	3	4	4	4
Non current assets	5870	6950	7382	7423	7073
Current assets					
Current investments	0	0	0	0	0
Inventories	0	0	0	0	0
Inventories	811	654	877	1008	1082
Trade receivables	1743	1889	2451	2244	2040
Cash & bank balances	128	133	27	30	193
Short term loans & advances	593	389	314	389	347
Other current assets	174	257	239	101	185
Current assets	3449	3321	3909	3773	3847
Total assets	9318	10271	11291	11196	10920

Workings	
Current market price of share	54.3312
Common shares outstanding	21,42,43,695
Market value of equity (Rs 10017 Mn)	11640117036
Net debt (Rs Mn)	3130.512
Enterprise value (Rs Mn)	14771
Enterprise value/Sales (x)	0.79
Enterprise value/EBITDA (x)	5.90
Price/EPS (x)	14.4

Exhibit: 9

Apex Auto Components Pvt. Ltd - Income Statement					
INR Mn except EPS	FY'19	FY'20	FY'21	FY'22	FY'23
Revenue					
Net sales	3458	4047	3716	3944	4190
Other income	54	42	67	77	103
Total revenue	3512	4089	3783	4021	4294
Expenses					
Cost of raw materials consumed	1987	2332	2143	2100	2280
Purchases of stock in trade	0	17	24	150	195
Change in inventories of finished goods, work in progress and stock in trade	-114	-68	-84	2	-153
Employee benefit expense	398	439	419	456	533
Other expenses	794	866	791	851	901
Operating expenses	3065	3585	3293	3558	3756
Earnings before interest, taxes, depreciation, amortization (EBITDA)	393	461	423	386	434
Depreciation & amortization	116	121	111	112	107
Earnings before interest & taxes (EBIT)	331	383	378	350	431
Finance costs	179	215	221	205	202
Profit before tax & exceptional items	152	168	157	146	230
Exceptional items	0	0	0	95	-19
Tax expense	15	12	8	29	55
Net Profit for the year	137	156	150	211	155
Earning per share (EPS) face value 10	11	13	12	17	12

Estimated Financials		
Particulars (Rs Mn except EPS)	FY'24 (E)	FY'25 (E)
Net sales	4959	5886
EBITDA	582	755
Net Profit for the year	226	334
Earning per share (EPS)	18	27

Exhibit: 10

Apex Auto Components Pvt. Ltd - Balance sheet					
INR Mn	FY'19	FY'20	FY'21	FY'22	FY'23
Equities & liabilities					
Shareholders funds					
Share capital	133	133	133	133	133
Reserves & surplus	807	913	1008	1152	1238
Shareholders funds	940	1046	1141	1285	1370
Non Current liabilities					
Long term borrowings	370	353	277	333	342
Deferred tax liabilities (net)	77	82	70	56	51
Long term provisions	42	34	42	43	44
Other long term liabilities	0	0	13	6	3
Non current liabilities	488	469	402	439	440
Current liabilities					
Short term borrowings	634	731	817	832	917
Trade payables	839	889	813	807	995
Other current liabilities	295	310	358	334	385
Short term provisions	30	20	29	30	27
Current liabilities	1798	1951	2017	2004	2324
Total liabilities	3226	3466	3560	3728	4134
Assets					
Non current assets	0	0	0	0	0
Fixed assets	0	0	0	0	0
Tangible assets	1128	1146	1092	1119	1197
Intangible assets	15	12	42	43	38
Capital work in progress	23	5	41	111	92
Intangible assets under development	0	1	4	0	4
Non current investments	6	27	31	45	61
Long term loans & Advances	72	94	124	123	137
Other non current assets	0	1	2	3	5
Non current assets	1244	1286	1337	1445	1534
Current assets	0	0	0	0	0
Current investments	10	0	0	0	0
Inventories	923	1066	1148	1151	1374
Trade receivables	709	772	694	750	796
Cash & bank balances	61	82	96	87	111
Short term loans & advances	271	253	275	285	309
Other current assets	9	6	10	10	10
Current assets	1982	2180	2223	2283	2600
Total assets	3226	3466	3560	3728	4134

Workings	
Current market price of share	128.282
Common shares outstanding	1,33,08,589
Market value of equity (Rs 1469 Mn)	1707252432
Net debt (Rs Mn)	1148.07
Enterprise value (Rs Mn)	2855
Enterprise value/Sales (x)	0.58
Enterprise value/EBITDA (x)	4.91
Price/EPS (x)	7