InsightKnox

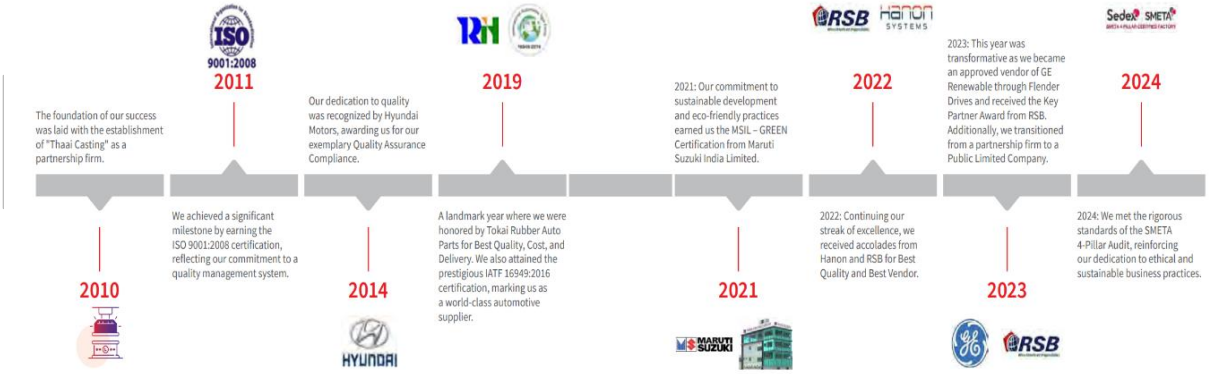
Thaai Casting Ltd

Sector: Automobile Ancillaries | Industry: Auto Components - Aluminium Die - Casting

(NSE:THAAICAST)
Report Date : 23/06/2025

Executive Summary

Thaai Casting Limited (Thaai Casting) is a distinguished player in the automotive industry, specializing in Pressure Die Casting, precision Machining of both Ferrous and Non-Ferrous materials, and Induction heating and quenching.



Key Takeaways

Total Revenue: 71.09 crore

EBITDA Margin: 27.80%

PAT: ₹13.70 crore

ROE: 14.2%

Capex Spend: ₹81 crore

Free Cash Flow: negative ₹112 crore

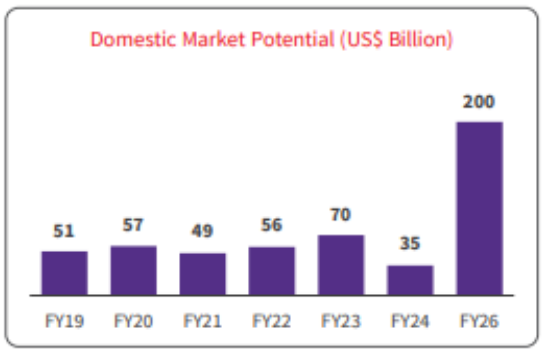
Industry Analysis

The Global Automobile Ancillary Market Size was estimated at 247.57 (USD Billion) in 2024. It is expected to grow from 254.46 (USD Billion) in 2025 to 325.74 (USD Billion) till 2034, at a CAGR (growth rate) is expected to be around 2.78% during the forecast period (2025 - 2034).

The Indian auto components industry, continues to grow as a global manufacturing hub, driven by cost advantages, skilled labour, and strong export performance. India's automotive industry is a crucial driver of economic growth, buoyed by rising middle-class incomes, a young demographic, and supportive

As one of the fastest-growing automotive markets globally, India is on track to meet its ambitious goal of increasing vehicle exports fivefold by 2026 and aims to become the third-largest automobile market worldwide by 2030. This growth is supported by initiatives like the ₹25,938 crore Production Linked Incentive for Automobile and Auto Components.

With India's growing role in the global automotive market and the government's push for domestic manufacturing through initiatives like "Make in India," TCL is well-positioned to capitalize on these opportunities.



source: Thaai Casting Ltd. Annual Report FY23-24

The turnover of the automotive component industry grew 32.8% to ₹ 5.6 lakh crore (US$ 69.7 billion) during 2022-23 compared to the previous year and is expected to reach US$ 200 billion by FY26.

Quick Takeaways

Thaai Casting Limited operates on a Business-to-Business (B2B) model.
The company makes money by:
• Manufacturing and selling critical components to other businesses, primarily in the automotive industry.
• Diversifying into emerging sectors such as electric vehicles and wind power, where they provide specialized components like EV battery boxes and parts for windmill gearboxes to other companies.

Industry Tailwinds & Headwinds

1. EV Growth Impact -

The surge in EV adoption has led to a significant increase in demand for specialized components, particularly in the battery and powertrain sectors. By 2035, India's demand for EV lithium batteries is projected to reach 139 GWh, a substantial jump from 4 GWh in 2023, primarily driven by the light vehicle segment. This shift is reducing demand for traditional engine-related components while increasing the need for EV powertrain parts.

EVs are manufactured using 75% of the same components as ICE (Internal Combustion Engine) vehicles which is why a major part of the industry will remain unaffected. The remaining 25%, which consists mostly of suppliers, will be majorly affected.

Since EVs use a smaller portion of components, ancillary manufacturers are focusing on producing electric powertrain solutions and optimising traditional ICE powertrains. Ancillary manufacturers are also focusing on producing technology-agnostic products for EVs including e-drive modules and systems. Due to newer parts and technologies being introduced, there will be a dip in the ancillary replacement market. Upskilling of ancillary workers is also critical for the transition, since EV ancillaries include more tech-driven processes.

2. China+1 Benefits –

Indian Auto and Auto ancillary industry has witnessed multiple headwinds over the past 2-3 years. Right from managing emission and safety related regulatory changes followed by Covid-19 to semi-conductor/supply shortages, and the more recent steep commodity inflation, the auto industry has seen it all.

'China+1' theme, which started with US imposing tariff and trade barriers on China, got a boost during the Covid period with several OEMs (Original Equipment Manufacturer) considering and acting upon diversifying components sourcing away from China.

India is a preferred choice given its low cost of manufacturing, scale of vehicle production and maturity of its auto ancillary industry. The 'China+1' theme is further supported by policy initiatives such as FAME 2 and PLI scheme to make the Indian automotive industry 'Aatmanirbhar' and the country a global export hub.

An analysis of component export data for India and China indicates that the 'China+1' theme is turning advantageous for India's auto ancillary industry. The share of ancillary exports from India to USA has jumped by 2% to 29% over the past 2 years. During the same period, ancillary exports from China to USA has declined from 29% to 26%
We see early signs of the Indian ancillary industry benefiting from 'China+1' with India's auto ancillary exports (ex-tyres) in FY22 being 19% higher than the previous peak of FY19 despite global auto volumes declining in double digits over FY19. Tyre exports from India also benefitted from supply constraints faced by global tyre manufacturers, anti-dumping duties placed on China in US and Latin America (LA), and the recent Russia-Ukraine issue affecting tyre supplies from Russia.

3. Auto Sector Revival –

The Indian automotive sector has navigated a turbulent fiscal year 2024-25 (FY25), marked by subdued overall sentiment, particularly in the second half. A confluence of macroeconomic headwinds; uneven rural recovery, evolving consumer preferences, and regulatory changes has led to a patchy performance across vehicle categories.
Growth projections for the last quarter of the fiscal year 2024-25 reflect this divergence sharply, ranging from a modest 2% to an impressive 23%, depending on product segments and market dynamics.

Sales of passenger vehicles (PV), which constitutes the most in automobile sector sales, is expected to grow at a rate of 1.5% in financial year 2024-25.

Commercial vehicle sales is expected to stay flat in the current fiscal as opposed to a slightly higher 0.6% growth in the year-ago period. Two-wheeler sales is expected to grow at 10% in the fiscal year 2025. Three-wheeler sales too are expected to grow at 10% in the current year as against 41.5% last year.

Government Initiatives

The **Production Linked Incentive (PLI) s**cheme focuses on enhancing domestic manufacturing capabilities, reducing import dependence, and improving competitiveness, aims to invest ₹2.0-2.2 lakh crore over the next four years. With incentives totaling ₹1.82 lakh crore, the program is expected to generate revenue close to ₹30 lakh crore. Major capital expenditure is anticipated in the solar, automobile, and advanced chemistry cell battery sectors.

The **Automotive Mission Plan 2016-26** represents a collaborative effort between the Government of India and the Indian automotive industry to establish a clear roadmap for the sector's development. This initiative seeks to position India as a global manufacturing hub, driving growth and innovation within the industry.

The **Bharat New Car Assessment Program** is set to enhance the value chain of the auto component sector by driving the manufacturing of cutting-edge components, encouraging innovation, and fostering

The Indian government has approved 100% **Foreign Direct Investment** under the automatic route for

Entry Barriers related to the Industry

1. High Capital Costs:
The automotive industry, including the ancillary sector, requires significant upfront investment in

2. Technical Expertise:
Supplying components to major automakers demands specialized knowledge and engineering

3. Regulatory Compliance:
Stringent safety and environmental regulations in the automotive industry can be complex and costly for new companies to navigate.

4. Economies of Scale:
Established auto ancillary companies often benefit from large-scale production, which allows them to offer lower prices and compete effectively. This makes it difficult for smaller, newer companies to compete on cost.

5. Strong Brand Loyalty:
Established brands in the automotive market often have a loyal customer base, making it challenging for

6. Distribution Channels:
Access to efficient distribution networks for supplying components to vehicle manufacturers is crucial and difficult as well.

Competitive Analysis & TCL's Positioning

The company has 4040 active competitors, including 43 funded and 579 that have exited. Its top competitors include companies like **Cummins**, **Magna** & **Valeo**.

Overall Rank	Company Details	Short Description	Total Funding	Investors	Tracxn Score
1st	Cummins 1919, Columbus (United States), Public	Manufacturer of gas-powered construction equipment	-	DOE, Ethos Private Equity & 5 others	74/100
2nd	Magna 1957, Aurora (Canada), Public	Manufacturer and supplier of automotive components to OEMs	-	Austria Wirtschaftsservice, BAFA & 4 others	71/100
3rd	Valeo 1923, Paris (France), Public	Provider of a global automotive supplier providing a range of products and services to automakers, with a focus on innovation and technology in the field of mobility	-	Ministry of Economy, Finance and Industrial and Digital Sovereignty, Bpifrance & 1 others	70/100
4th	UNO Minda 1958, Gurugram (India), Public	Manufacturer and supplier of major auto components to OEMs and tier 1 companies	$260M	Kotak Mahindra Bank, HSBC & 7 others	68/100
5th	CIE Automotive 1985, Bilbao (Spain), Public	Manufacturer and supplier of major auto components to OEMs and tier 1 companies	$16.3M	Corporacion Financiera Alba, IFC & 18 others	68/100
6th	Cooper Standard 1960, Novi (United States), Acquired	Supplier of systems & components for the automotive industry	$51.1M	-	67/100
7th	Novares 1955, Clamart (France), Acquired	Manufacturer and supplier of major auto components	$33M	The Carlyle Group, Ministry of Economy, Finance and Industrial and Digital Sovereignty & 2 others	65/100
8th	Hutchinson 1853, Paris (France), Acquired	Manufacturer and supplier of major auto components	-	Ministry of Economy, Finance and Industrial and Digital Sovereignty, Innovation Fund & 1 others	65/100
9th	Motherson Group 1975, Noida (India), Public	Manufactures electrical distribution systems for automobiles	-	Baring Private Equity Partners, India Capital Growth & 1 others	64/100
10th	Faurecia 1997, Nanterre (France), Public	Manufacturer of automotive components and systems	-	One Equity Partners, Ministry of Economy, Finance and Industrial and Digital Sovereignty & 3 others	63/100
130th	THAAI CASTING 2011, Kanchipuram (India), Public	Manufacturer of die castings and automotive machining products	-	-	42/100

source: tracxn.com

Peer Valuation Analysis

1. Thaai Casting
P/E: 18.95 | EV/EBITDA: 9.87 | ROCE: 15.6% | P/B: 2.52
Comment:
Thaai trades at modest valuations with a healthy ROCE for its size. While profitability remains under pressure (quarterly profit down 30.9%), revenue growth (+43%) is the highest among peers. Offers potential as a small-cap growth pick, but improving margins and scale will be critical.

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2. Samvardhana Motherson
P/E: 27.79 | EV/EBITDA: 10.02 | ROCE: 13.94% | P/B: 3.03
Comment:
A global supplier with large-scale operations. Trades at fair valuation with solid ROCE, but recent profit decline (-23%) and modest sales growth signal a need for execution recovery.

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3. Bosch
P/E: 47.33 | EV/EBITDA: 30.36 | ROCE: 21.11% | P/B: 6.89
Comment:
Premium valuations reflect its brand strength and technology leadership. While margins remain robust, the high multiples leave little room for disappointment.

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4. Schaeffler India
P/E: 60.44 | EV/EBITDA: 36.19 | ROCE: 25.67% | P/B: 11.4
Comment:
One of the most expensive stocks in the segment. Backed by high capital efficiency and consistent profit growth (+16%), but current pricing implies aggressive future performance.

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5. Uno Minda
P/E: 65.06 | EV/EBITDA: 30.35 | ROCE: 18.88% | P/B: 10.64
Comment:
A growth favorite with premium multiples. ROCE and sales momentum support valuations, but a minor profit dip (-1.18%) hints at execution sensitivity.

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6. Tube Investments
P/E: 83.49 | EV/EBITDA: 24.91 | ROCE: 21.55% | P/B: 10.23
Comment:
Among the most richly valued peers. Diversified portfolio and strong capital retur justify the premium, but recent profit drop (-75%) raises near-term caution.

Management Analysis:

1) Mr. Anandan Sriramulu (Chairman and Managing Director): Mr. Anandan completed his postgraduate program at Waseda University in 1997. His educational foundation was established at the Central Institute of Plastics Engineering & Technology, where he gained specialized knowledge in mould making and mould designing in 1992. He has been associated with the company since its inception.

2) Mr. Sriramulu Rajasekar Ramakrishnan (Whole Time Director): Mr. Ramakrishnan graduated from the University of York and holds a professional qualification in MSc International Business and Strategic Management. He has played a significant role in the company's growth, beginning as an Assistant Development Head (NPD) and contributing to the infrastructure development of the A20 Pillaipakkam SIPCOT area.

3) Ms. Shevaani Anandan (Whole Time Director & Chief Financial Officer): Ms. Shevaani holds a Bachelor's degree in Pharmacy from the esteemed SRM Institute of Science and Technology. She is currently advancing her academic pursuits with a Master's in Hospital and Health Systems Management at Birla Institute of Technology and Science.

4) Mr. Dharmala Venkata Ramana Murthy (Independent Director): Mr. Murthy completed Chartered Accountant and Cost Accountant from The Institute of Chartered Accountants of India and Institute of Cost Accountants of India. He has rich experience in financial industry. He currently holds the position of Group Chief Financial Officer of Atria Group of Companies with responsibility encompassing verticals of power, Hospitality, Education etc

5) Mr. Chinraj Venkatesan (Whole Time Director): Mr. Venkatesan completed his Diploma in Mechanical Engineering at Vardaman Hosur University College of Engineering. He plays a pivotal role in overseeing both the technical and commercial aspects of operations, covering everything from design and production to planning, sales, marketing, and more. He has been associated with our company since its inception.

6) Mr. Narenkumar Mandepudi (Independent Director): Mr. Narenkumar completed his engineering degree at REC Allahabad and later earned a Post Graduate Diploma in Enterprise Resource Management from SP Jain Institute of Management and Research. With extensive experience in the construction and glass industry, he is currently a partner at M/s Manaku, where he oversees consultancy for manufacturing plants, business development, and quality certification of glass.

7) Mr. Achaya Kumarasamy (Independent Director): Mr. Kumarasamy completed his postgraduate diploma in Supply Chain Management from the Indian Institute of Management, Calcutta (IIMC). He has extensive experience in operations within the automotive and glass sectors and has held leadership positions in strategic areas with renowned Indian and multinational companies.

Business Segments & Clients

SERVICES:

High Pressure Die Casting (HPDC)
Gravity Die Casting (GDC)
Die casting is a process used to produce metal parts by injecting molten metal into a mould. In this process, molten metal is injected into a mould, where it cools and hardens to create the desired shape. Thaai Casting Ltd. is engaged in Die Casting of Aluminium metal using the High-Pressure Die Casting (HPDC) & Gravity Die Casting (GDC) Processes.
The HPDC technique involves forcing molten metal into a metal Mold cavity under high pressure, making it particularly suitable for mass production.
GDC works by allowing molten metal to flow gently into a permanent mold under the influence of gravity alone. This process, in contrast to pressure die casting, doesn't use external pressure to fill the mold.

Machining of both Ferrous & Non-Ferrous Materials
Machining of ferrous and non-ferrous materials refers to the processes used to shape these metals into desired forms using tools and techniques like turning, milling, and drilling. Ferrous materials are those that contain iron, while non-ferrous metals do not.
TCL uses Vertical Turning Lathe (VTL), Horizontal Machining Center (HMC) & Cylindrical Grinding techniques for Ferrous Machining, and CNC Machining & Vertical Machining Center (VMC) techniques for Non-Ferrous Machining.

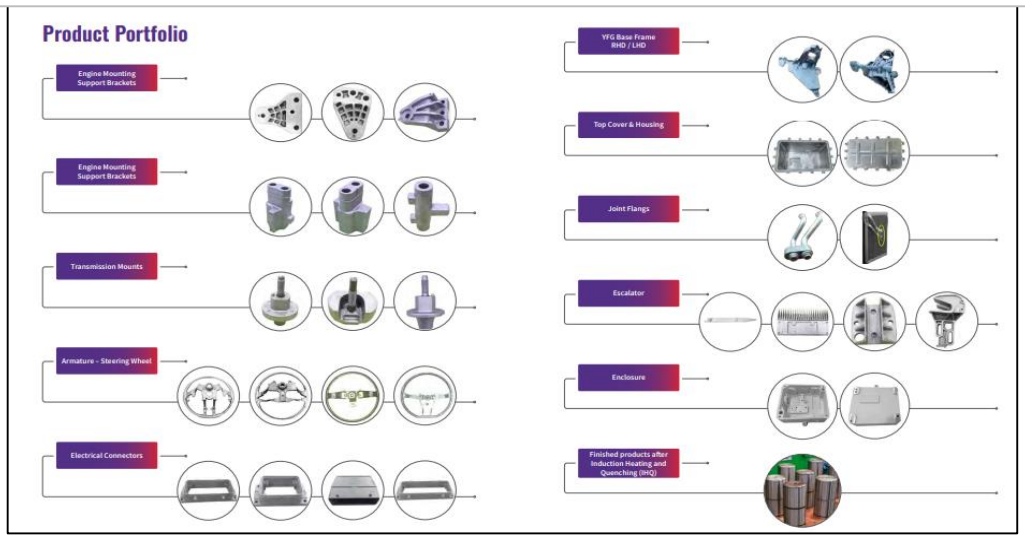
Induction Heating & Quenching
Induction heating and quenching are key processes for improving the mechanical properties of automotive components, focusing on hardness, wear resistance, and durability.
Induction hardening is a precise heat treatment method used to enhance the hardness and microstructure of metal components. By adjusting parameters like frequency and quenching techniques, manufacturers achieve optimal performance and longevity

Gas Nitriding
Gas nitriding is a thermochemical surface treatment process that diffuses nitrogen into the surface of metal components, creating a hard, wear-resistant layer.
TCL uses Supervisory Control and Data Acquisition (SCADA) system, Integrated Alarm Systems, High-End Digital Flowmeters and Ammonia Cracker and Large Capacity Furnace, during the Nitriding process, to ensure safety and productivity.

Gear Shaping in Pipeline
Gear shaping machines are essential for manufacturing high-precision gears. These machines use a cutting tool that reciprocates up and down while rotating in synchronization with the gear blank, ensuring the production of high-quality gears suitable for various industries.

PRODUCT PORTFOLIO:

Automobile Components – Engine Mounting Support Brackets, Transmission Mounts, Fork Shift & Housing, Armature – Steering Wheel, Electrical Connectors, YFG Base Frame (Right & Left-Hand Drive



source: Thaai Casting Ltd. Annual Report FY23-24

Thaai Caasting Ltd. has a huge Client Base & Variety including Automotive Customers, Non-Automotive Customers, Direct OEM (Original Equipment Manufacturer) & End Use Customers. [Depicted below].

source: Thaai Casting Ltd. Investor Presentation FY24-25

1. Automotive Customers:
They purchase directly from the ancillary company and use these parts for repairs, lease, maintenance, etc.

2. Non-Automotive Customers:
These are companies outside vehicle manufacturing that still use mechanical/electronic components. Examples: engineering firms, manufacturers of industrial machinery, agriculture, or power equipment.

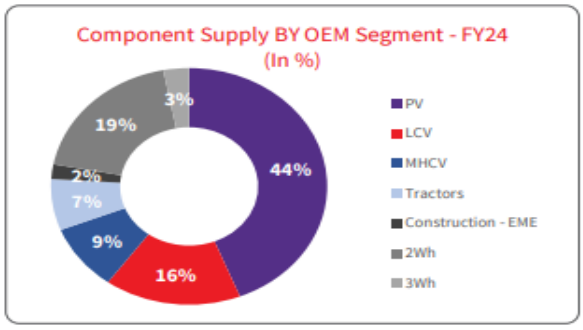
3. Direct OEM:
These companies are not the end user of the products they get from the auto ancillary companies, instead they are value added resellers (VAR) who sell these products further to other companies under their name.

4. End Customers:
These are big automobile companies that are well known to people. They sell automobiles under their company name & associate with customers, also opperating in the B2C model.

Following is the User-wise Performance of Auto Ancillary Industry –

FY24 Auto Components Industry Performance

Segment	FY24 (₹ in Cr)	Growth Rate
Auto Components Supply to OEMs	5,18,313	8.90%
Aftermarket	93,866	10.00%
Exports	1,75,960	9.00%
Imports	1,73,470	6.40%
Industry Turnover	**6,14,670**	**9.80%**



Source: IBEF - Auto Components Industry in India, Automotive Component Manufacturers Association of India

source: Thaai Casting Ltd. Annual Report FY23-24

Growth Strategy & Future Outlook

SWOT Analysis

Strenghts

1. OEM Certifications: Thaai Casting Limited is certified by major OEMs such as Hyundai, Amphenol, Tata, and Mahindra. This recognition highlights the company's adherence to stringent quality standards and strengthens its reputation as a reliable supplier of automotive components.

2. Strong Revenue Growth Prospects: The company is expected to see substantial revenue growth in 2025, supported by an increase in order flow and the addition of new customers. This anticipated growth reflects the company's solid market position and operational efficiency.

3. Diverse Industry Base: Thaai Casting Limited serves a wide range of sectors, including Automotive, Non-Automotive, Agriculture, Power, and Textiles. This diversified end-user industry base reduces the risk of dependency on any single market and provides stability against industry-specific downturns.

4. Established Relationships: The company has long-standing relationships with both customers and

Weaknesses

1. Cyclical Industry Risks: Thaai Casting Limited is susceptible to the cyclical nature of the automotive industry, which can lead to revenue volatility based on economic conditions. This cyclicality may affect the company's revenue consistency.

2. Regulatory Changes: The company faces risks from potential changes in government regulations related to automobiles, such as new pollution norms and policies promoting electric vehicles. Adapting to these regulatory changes may require adjustments in operations and strategic planning

Opportunities

1. Wind Power Investment: Thaai Casting Limited plans to invest ₹ 70-75 crores in a wind power project for 2025. This investment offers a new revenue stream and aligns with the global shift towards renewable energy, presenting significant growth opportunities.

2. Market Expansion: The company's diversified customer base and industry presence provide opportunities for further market expansion. By leveraging its broad sectoral reach and adapting to emerging trends, Thaai Casting Limited can enhance its growth prospects.

Threats

1. Raw Material Price Volatility: The company faces potential threats from fluctuating raw material prices, which could impact production costs and overall profitability. Managing these cost fluctuations is crucial for maintaining financial stability.

2. Operational Risks: Potential delays in acquiring new machinery and setting up new facilities could affect the company's ability to meet increasing order demands and achieve revenue targets. These operational challenges need to be addressed to ensure smooth growth.

3. Competitive Pressures: Intense competition in the automotive and wind power sectors may challenge Thaai Casting Limited's market position and pricing strategies. Continuous innovation and

Key Red flags

1) **FII stake has reduced from 6.56% in Mar-24 to 0.09% in Mar-25.**

2) Cash from Operations is Negative:
Standalone Cash Flow Statement for the Year Ended March 31, 2024," the **Cash generated from operations (A)** is **₹ (2,499.78) lakhs**, which is equivalent to approximately **₹ -25 Crore**. This indicates a negative cash flow from the company's core operating activities for the fiscal year.

3) Borrowings have increased from INR 46 Cr in Mar-24 to INR 65 Cr in Sep-24:
Standalone Balance Sheet as at March 31, 2024" shows "Long-term borrowings" of **₹ 4,606.32 lakhs** (approximately ₹ 46 Crore) under Non-current liabilities. Short-term borrowings" are **₹ 6,514.80 lakhs** (approximately ₹ 65 Crore) under Current liabilities.

4) Though the company is reporting repeated profits, it is not paying out dividend:
The "Board's Report" on page 64, under section "11. Dividend," explicitly states: "Your Directors have not recommended any dividend for the financial year ended March 31, 2024, in order to conserve the resources for Company's future growth and expansion." This explains the decision to retain profits for reinvestment.

Current Capacity Metrix –

- 2,500 Tones Capacity installed for HPDC
- 1,200 Tones Capacity utilized for HPDC
- 85% Average Installed Capacity for Machining of Ferrous & Non-Ferrous Materials
- 61% Average Capacity Utilization for Machining of Ferrous & Non-Ferrous Materials
- 85% Installed Capacity of Induction Heating & Quenching
- 60% Capacity Utilized of Induction Heating & Quenching

Long-Term Growth Strategy –

- Made substantial progress in infrastructure development by acquiring land for new facilities dedicated to gas nitriding, gear shaping, and heavy machining

- Future plans center around substantially increasing installation capacity to meet the increasing demand from the customers.

- Commitment towards enhancing the order book value by securing additional orders and expanding client base.

- The strategic objective is to establish Thaai Casting Limited as a global brand recognized for delivering high-end casting solutions that meet the evolving needs of the industry.

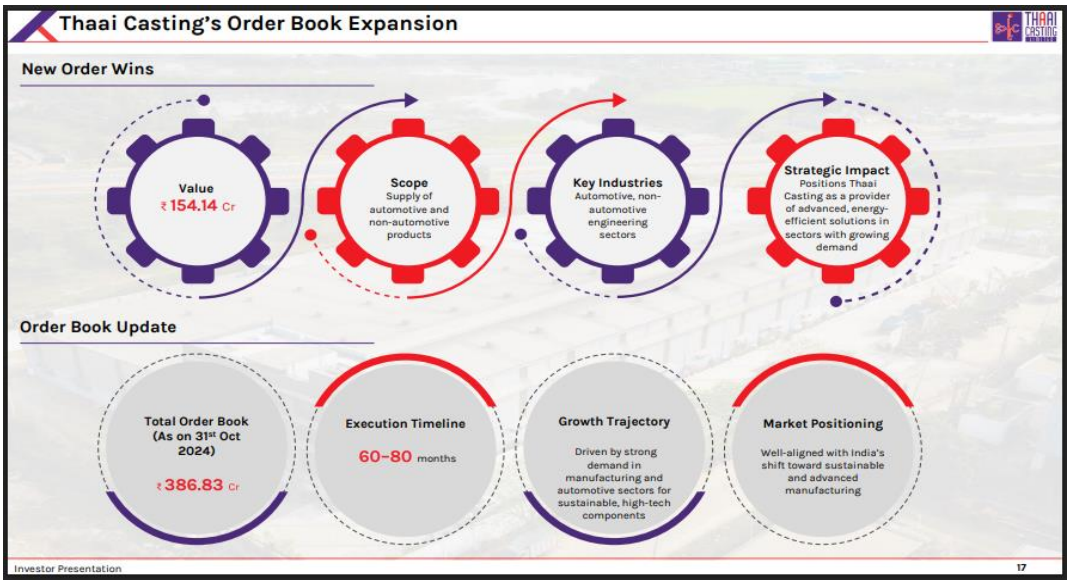
- With technological advancements and evolving consumer preferences, the industry is set for continued expansion. Given that TCL's revenue is derived from supplying automotive parts, these trends will significantly influence the performance.

News & Developments

NEWS:

source: moneycontrol.com & economictimes.com (February 23,2024)

- Thaai Casting debuts with over 141% premium to IPO price on NSE SME platform
- The stock debuted at Rs 185.9 as against an issue price of Rs 77
- The IPO, which is an entirely fresh equity issue of 61.2 lakh shares, was subscribed over 300 times at close
- The net proceeds from the public offer will be used for capital expenditure and general corporate purposes



source: Thaai Casting Ltd. Investor Presentation FY24-25

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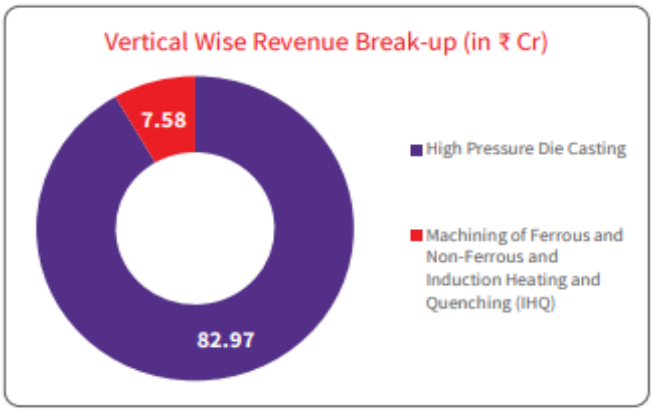
Recent Developments –

- Successfully listed on the NSE-Emerge platform with an IPO of ₹47.2 crores
- Established Thaai Induction and Nitriding Private Limited to strategically expand into the ferrous business segment
- Acquired land for new facilities focused on gas nitriding, gear shaping, and planetary carrier manufacturing
- Achieved MSIL green certification from Maruti Suzuki India Limited in 2021
- Received orders from Hyundai, Maruti Suzuki India Limited, Stellantis, PSA, Kia, Tata, Mahindra, and Leyland

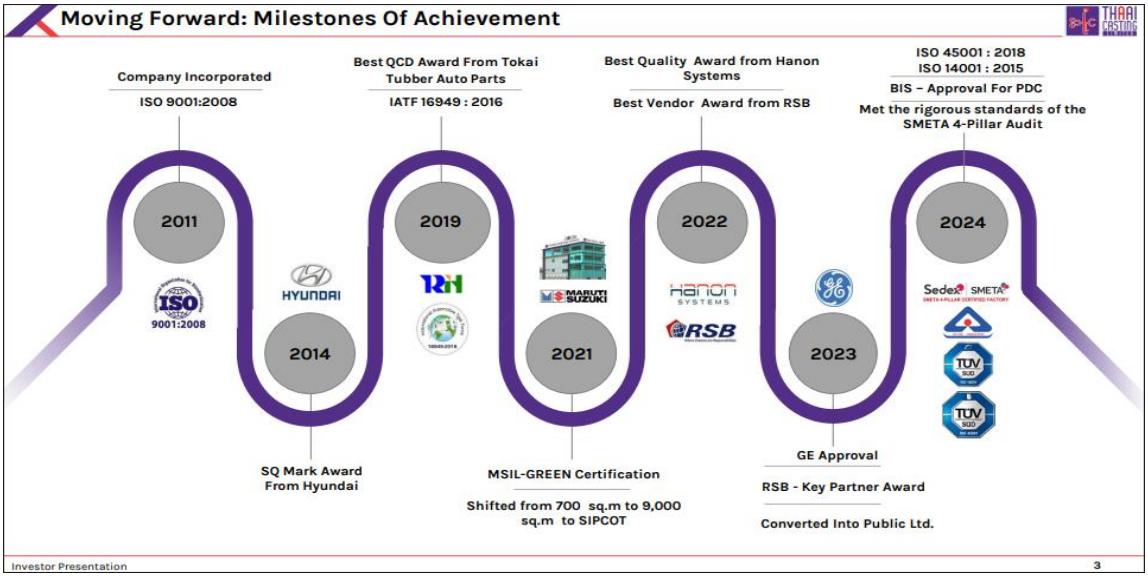
Visual Depictions

1. Vertical Wise Revenue Break-up
source: Thaai Casting Ltd. Annual Report FY23-24

(in%):
HPDC – 8.37%
Machining, Induction Heating &



2. Company Timeline (Milestones)
source: Thaai Casting Ltd. Investor Presentation FY24-25



3. Promoters' Shareholding Pattern
source: Thaai Casting Ltd. Annual Report FY23-24

Details of Shareholding of Promoters

(In Nos.)

Name of Promoter	Shareholding as at 31/03/2024	
	No. of Shares	% of holding
Sriramulu Anandan	12,691,500	54.87%
Chinraj Venkatesan	1,350,000	5.84%
Anandan Shevaani	97,700	0.42%
Total	**14,139,200**	**61.13%**

Assumptions for Financial Analysis

1. **Capital Structure (D:E)** **50:50**
Assumes a moderate leverage scenario with debt financing 50% of capital needs, aligning with peer group norms for capital-intensive businesses.

2. **Pre-Tax Cost of Debt** **8.00%**
Reflects current market borrowing rates for mid-cap Indian industrial firms with stable credit profiles.

3. **Cost of Equity** **15.83%**
Includes a significant equity risk premium to account for business cyclicality, execution risk, and macroeconomic factors and a small cap company.

4. **Perpetual Growth Rate** **4.00%**
Assumes long-term growth in line with India's inflation-adjusted GDP, reflecting sustained reinvestment and scalability.

Financial Analysis

P&L Assumptions		2024A	2025A
Revenue Growth	%	#DIV/0!	50%
COGS	%	52%	56%
Gross Margin	%	48%	44%
Employee Costs	%	#DIV/0!	100%
Other Expenses	INR Crs	10.82	14.87
EBITDA	%	28%	24%
Depreciation (Dep / Op. FA Bal)	%	#DIV/0!	10%
Finance Costs (FC / Op. Loan Bal)	%	#DIV/0!	26%
Taxes	%	26%	23%

P&I			2023A	2024A
Revenue	INR Crs	-	71	107
Less : COGS	INR Crs	-	37	60
Gross Profit	**INR Crs**	**-**	**34**	**47**
Less : Expenses				
Employee Costs	INR Crs	-	3	7
Other Expenses	INR Crs	-	11	15
Total Expenses	**INR Crs**	**-**	**14**	**22**
EBITDA	**INR Crs**	**-**	**20**	**25**
Other Income	INR Crs	-	0	2
Depreciation	INR Crs	-	2	7
Finance Costs	INR Crs	-	3	5
Profit Before Taxes	**INR Crs**	**-**	**15**	**15**
Less : Tax Expenses	INR Crs	-	4	4
Profit After Taxes	**INR Crs**	**-**	**11**	**12**

2026E	2027E	2028E	2029E	2030E
30%	30%	20%	20%	10%
56%	55%	55%	54%	54%
44%	45%	45%	46%	46%
43%	10%	18%	15%	0%
Net				
25%	25%	25%	25%	25%
10%	10%	10%	10%	10%
20%	16%	14%	13%	11%
25.17%	25.17%	25.17%	25.17%	25.17%

2025E	2026E	2027E	2028E	2029E
139	181	217	260	286
77	100	119	141	154
62	**81**	**98**	**119**	**132**
10	11	12	14	14
17	25	32	40	47
27	**36**	**44**	**54**	**61**
35	**45**	**54**	**65**	**72**
2	2	2	2	2
8	10	13	14	15
10	11	8	6	5
19	**26**	**36**	**47**	**54**
5	7	9	12	13
14	**20**	**27**	**35**	**40**

VALUATION -DCF

Present ' INR Crs	**10**
Terminal Value (Part II)	
Perpetual Growth F **4.00%**	
Terminal Value	454
Present Value of Terminal value (Part II)	**218**
Equity Value (Part I + Part II)	**228**
Number of Shares	2.31
Value Per share	***99***
Price as on Valuation Date	**91**
Premium / Discount	***-8%***

Ratio Analysis of - Thaai Casting Ltd

Years	Mar-24	Mar-25
SalesGrowth	0.00%	72.22%
EBITDA Growth	0.00%	51.48%
EBIT Growth	0.00%	11.83%
Net Profit Growth	0.00%	6.46%
Dividend Growth	0.00%	0.00%
Gross Margin	32.16%	41.68%
EBITDA Margin	27.62%	24.29%
EBIT Margin	24.24%	18.19%
EBT Margin	20.25%	13.15%
Net Profit Margin	14.84%	9.17%
SalesExpenses%Sales	4.54%	17.39%
Depreciation%Sales	3.38%	6.10%
OperatingIncome%Sales	24.24%	18.19%
Return on Capital Employed	14.60%	12.58%
Retained Earnings%	100.00%	100.00%
Return on Equity%	14.58%	13.46%
Self Sustained Growth Rate	14.58%	13.46%
Interest Coverage Ratio	6.08	3.61

Financial Commentary

Negative FCF: Reflects a heavy investment cycle. While FCF turns negative during capex-heavy periods, such outflows can later yield returns if the investments drive revenue and margin growth.

Capex Intensity: An ₹81 Cr Capex is significant relative to its ₹85 Cr revenue, signaling aggressive capacity expansion or technology upgrades.

Caution for Investors: Negative FCF indicates reliance on external funding or internal reserves. Investors should look for turning points in operational cash flow as a sign of capex payback.

THANK YOU!

Thank you for reading our detailed analysis on Thaai Casting. We hope you found valuable insights that help you understand the company's strategic, operational, and financial landscape.

Stay connected with us for more such deep dives and market insights:

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