

WABCO INDIA LIMITED – OFFER FOR SALE

25 - August - 2021

OFFER BACKGROUND

ZF International UK Limited ("the Promoter Seller") of WABCO India Ltd ("the Company") proposes to sell 380,432 equity shares of face value of Rs. 5 (Rupees five only) each (the "Sale Shares") representing 2.01% of the total issued and paid-up equity share capital of the Company (the "Base Offer Size") on August 25, 2021 ("T Day") (for non-Retail Investors only) and on August 26, 2021 ("T+1 Day") (for Retail Investors and for un-allotted non-Retail Investors from T Day, who choose to carry forward their bids, through a separate, designated window of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE" and together with BSE, the "Stock Exchanges").

THE SYNOPSIS OF THE OFFER FOR SALE IS AS FOLLOWS:

Name of the Seller (Promoter /Promoter Group)	ZF International UK Limited ("the Promoter Seller") of WABCO India Ltd ("the Company")
Name of the company whose shares are proposed to be sold and ISIN	WABCO India Limited
Name of the stock exchanges where orders shall be placed	NSE and BSE
Name of the designated stock exchange	BSE
Date and time of opening and closing of the sale	Date: August 25, 2021 for Non-Retail; Open: 9.15am; Close: 3.30 pm Date : August 26, 2021 for retail; Open : 9:15am; Close : 3.30pm
Total number of equity shares being offered in the Sale	Sell 380,432 equity shares of face value of Rs. 5 (Rupees five only) each (the "Sale Shares") representing 2.01% of the total issued and paid-up equity share capital of the Company (the "Base Offer Size")
Name of the broker(s)	BofA Securities India Limited
Retail Reservation	10% of the offer size
Retail Discount	No discount
Floor Price	Rs. 6900
Allocation Methodology	The allocation shall be at or above the Floor Price on price priority method at multiple clearing prices ("Clearing Prices") basis in accordance with the SEBI OFS Circulars.

Stock Data

Latest Data as on 24 August, 2021	
Latest Equity(Subscribed)	9.48
Latest Reserve	18967584.00
Latest EPS -Unit Curr.	82.57
Latest Bookvalue -Unit Curr.	1052.95
Face Value	5.00
Stock Exchange	BSE
Latest Market Price--Unit Curr.	7170.85
Latest P/E Ratio	86.85
Latest P/BV	6.81
52 Week High -Unit Curr.	7870.45
52 Week High-Date	16/06/2021
52 Week Low -Unit Curr.	4770.15
52 Week Low-Date	14/11/2020
Market Capitalisation	13595.93
Dividend Yield -%	0.15

Pbv Chart



AVERAGES – VOLUME (BSE)

	Total Volume	Avg Volume	No. Of Days
Weekly	25084	6271	4
Fornightly	85919	9547	9
Monthly	255612	12172	21
Quarterly	865603	13525	64
Half Yearly	2847491	23533	121
Yearly	3695927	14843	249

AVERAGES – VOLUME (NSE)

	Total Volume	Avg Volume	No. Of Days
Weekly	176738656	44184664	4
Fornightly	629520704	69946744	9
Monthly	1880534016	89549240	21
Quarterly	6254559232	97727488	64
Half Yearly	18288877568	1.51E+08	121
Yearly	23300368384	93575776	249

Key Findings

- Wabco India manufactures automotive parts. The company produces electronic braking, stability, and suspension and transmission control systems for heavy-duty commercial trucks, trailers and buses.
- Standalone net sales soared 196.40% to Rs 491.92 crore in Q1 FY22 from Rs 165.97 crore in Q1 FY21. Pre-tax profit was at Rs 30.85 crore in Q1 FY22 as against a pre-tax loss of Rs 38.95 crore in Q1 FY21. The board had recommended a dividend of Rs 11 per share, for the financial year ended 31 March 2021 at the board meeting held on Friday, 17 May 2021. Upon approval by the shareholders, the payment of the dividend will be made on Tuesday, 28 September 2021 to the shareholders as on record date i.e. Friday, 17 September 2021.
- WABCO India currently exports from the Mahindra World City plant and caters to the domestic customers from its Ambattur plant. The company stated that there is no scope for further expansion at both the plants as 100% of the land and floor space has been utilised. However, there is an immediate need for setting up a new manufacturing unit to cater to the increased demand and support growth in exports. In this regard, WABCO India has identified land parcels at Phase II, SIPCOT Industrial Estate, Oragadam, Tamil Nadu with land Parcel-A admeasuring 31.5 acres and land Parcel-B admeasuring 18.5 acres totally admeasuring 50 acres on lease for a period of 99 years towards setting up of a manufacturing unit.
- The board at the previous meeting held on 17 May 2021 approved entering into a lease deed with the SIPCOT Industrial Estate for expanding the company's operations. WABCO India has signed a Memorandum of Understanding (MoU) with the Government of Tamil Nadu for this proposed expansion project. The new project is envisaged to be a Center of Excellence for manufacturing excellence catering to both export and domestic customers. Hence, WABCO India at their meeting, decided to incorporate a wholly owned subsidiary in Tamil Nadu with an authorised and paid-up capital of Rs 1 crore in the state of Tamil Nadu for this expansion.

Conclusion

The company is doing well and according to the management of the company dominant market share, improving content/vehicle, multi-year potential M&HCV upcycle, low leverage, strong RoCEs) would give good financial strength to the company . Moreover, new capex plans indicate confidence of parent (ZF) in capabilities of Wabco India.

Offer Size = Rs.262 crore

View : Positive for Retail shareholder long term

Shareholding Pattern (%)

Description as on	30/06/2021	31/03/2021	31/12/2020	30/09/2020	30/06/2020
Total Foreign	0.84	0.56	0.38	0.41	2.87
Total Institutions	14.05	11.22	0.15	0.15	9.06
Total Non Promoter Corporate Holding	1.20	0.35	0.27	0.27	4.51
Total Promoters	77.01	80.43	93.11	93.11	75.00
Total Public & Others	6.91	7.45	6.10	6.07	8.58

Shareholding of securities of persons belonging to the category Public and holding more than 1% of the total number of shares

Description as on	30/06/2021	31/03/2021	31/12/2020	30/09/2020
Hdfc Trustee Company Limited - Hdfc Tax Saverfund		2.73		
Hdfc Trustee Company Ltd - A/c Hdfc Mid - Capopportunities Fund	2.74			
Sbi Debt Hybrid Fund		7.04		
Sbi Retirement Benefit Fund- Conservative Plan	7.79			

Allocation methodology	<p>A minimum of 25% of the equity shares being offered in the Sale shall be reserved for allocation to mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended ("Mutual Funds") and insurance companies registered with the insurance Regulatory and Development Authority under the Insurance Regulatory and Development Authority Act, 1999, as amended ("Insurance Companies"), subject to receipt of valid bids/orders at the Clearing Prices.</p> <p>In the event of any under subscription by Mutual Funds and Insurance Companies, the unsubscribed portion shall be available to the other bidders.</p> <p>No single bidder other than Mutual Funds and Insurance Companies shall be allocated more than 25% of the size of the Sale.</p>
Oversubscription option	<p>In case the Oversubscription Option is not exercised, the equity shares of the Company forming part of the Base Offer Size will hereinafter be referred to as "Offer Shares") through a separate, designated window of the BSE Limited (the "BSE") and the National Stock Exchange of India Limited ("NSE", and together with the BSE, the "Stock Exchanges"). The Offer shall be undertaken exclusively through the Seller's Brokers named below on a separate window provided by the Stock Exchanges for this purpose.</p>
Conditions for withdrawal of the Sale	<p>The Seller reserves the right to not to proceed with the Sale at any time prior to the time of opening of the Sale on the Sale Date. In such a case, there shall be a cooling off period of 10 trading days from the date of withdrawal before an offer is made again. The Stock Exchanges shall suitably disseminate details of such withdrawal.</p>
Conditions for cancellation of the Sale	<p>In the event (i) the aggregate number of orders received in the Sale at or above the Floor Price is less than the total number of Sale Shares or (ii) of any default in settlement obligations, the Seller reserves the right to either conclude the Sale to the extent of valid bids / orders or cancel the Sale in full. The decision to either accept or reject the Sale shall be at the sole discretion of the Seller.</p>
Conditions for participating in the Sale	<p>Non-institutional buyers shall deposit 100% of the order value in cash up-front with the Clearing Corporation at the time of placing bids for the Sale.</p> <p>In case of institutional investors who place orders with 100% of the order value deposited upfront, custodian confirmation shall be within trading hours.</p> <p>In case of institutional investors who place orders without depositing 100% of the order value upfront, custodian confirmation shall be as per the existing rules for secondary market transactions.</p> <p>The funds collected shall neither be utilized against any other obligation of the trading member nor co-mingled with other segments.</p> <p>Modification or cancellation of orders would be allowed during the duration of the offer only for:</p> <p>(i) Orders placed by institutional investors and by non-institutional investors, with 100% of the order value deposited upfront: Such orders can be modified or canceled at any time during the trading hours.</p> <p>(ii) Orders placed by institutional investors without depositing 100 % of the order value upfront: Such orders cannot be modified or cancelled by the investors or stock brokers, except for making upward revision in the price or quantity.</p> <p>The buyer shall also be liable to pay any other fees, as may be levied by the Stock Exchanges, including Securities Transaction Tax.</p> <p>In case of any permitted modification or cancellation of the order / bid, the funds shall be released/ collected on a real-time basis by the clearing corporation.</p> <p>In case of default in pay-in by any investor, 10% of the order value shall be charged as penalty from the investor and collected from the broker. This amount shall be credited to the Investor Protection Fund of the stock exchange.</p>

QUARTERLY PERFORMANCE

	Qtr Ending Jun. 21	Qtr Ending Jun. 20	VAR %
Total Income	491.92	165.97	196
OPM (%)	8.56	-17.24	
OP	42.11	-28.61	LP
Other income	11.9	13.41	-11
PBIDT	54.01	-15.2	LP
Net Finance Charges	0.54	0.65	-17
PBDT	53.46	-15.85	LP
Depreciation	22.61	23.1	-2
PBT before EO	30.85	-38.95	LP
Tax expense	9.46	-7.58	-225
PAT	21.38	-31.36	LP

Financial Overview

	202003	201903	201803	201703	201603
Equity Paid Up	9.48	9.48	9.48	9.48	9.48
Networth	1894.54	1779.97	1525.88	1266.42	1067.78
Capital Employed	1917.41	1811.16	1552.47	1283.02	1081.04
Total Debt	0	0	0	0	0
Gross Block (Excl. Reval. Res.)	788.95	685.62	534.12	434.96	391.29
Net Working Capital (Incl. Def. Tax)	757.7	925.78	613.86	549.5	455.88
Current Assets (Incl. Def. Tax)	1039.84	1475.22	1250.03	1021.26	914.77
Current Liabilities and Provisions (Incl. Def. Tax)	282.14	549.45	636.17	471.76	458.88
Total Assets/Liabilities (excl Reval & W.off)	2199.55	2360.61	2188.64	1754.78	1539.92
Gross Sales	1929.56	2854.14	2613.85	2260.57	1999.54
Net Sales	1929.56	2854.14	2573.33	2067.49	1832.46
Other Income	63.88	72.48	46.53	36.15	40.12
Value Of Output	1907.24	2866.51	2522.86	2105.08	1859.17
Cost of Production	1618.82	2346.66	2019.22	1675.48	1520.47
Selling Cost	7.44	16.04	12.16	7.11	0
PBIDT	315.36	482.35	445.15	362.54	326.69
PBDT	313.44	482.35	443.53	362.08	326.54
PBIT	225.25	410.91	383.41	300.91	270.49
PBT	223.33	410.91	381.79	300.45	270.34
PAT	158.81	282.17	272.83	213.48	203.37
Adjusted PAT	137.06	261.69	255.3	200.28	196.05
CP	248.92	353.61	334.57	275.11	259.57
Revenue earnings in forex	869.95	887.57	869.44	580.4	636.82
Revenue expenses in forex	376.79	539.67	360.08	333.17	322.23
Capital earnings in forex	0	0	0	0	0
Capital expenses in forex	0	0	0	0	10.48
Book Value (Unit Curr)	998.83	938.43	804.47	667.68	562.95
Book Value (Adj.) (Unit Curr)	998.83	938.43	804.47	667.68	562.95
Market Capitalisation	11632.05	12636.56	14973.85	11092.55	11848.58
Financial Years High & Low Prices					
High Date (BSE)	25-Feb-20	25-Apr-18	24-Jan-18	22-Sep-16	19-Aug-15
High Price (BSE)	6915.05	8319.9	8480	6542	7449
Low Date (BSE)	24-Mar-20	18-Feb-19	25-Jul-17	9-Nov-16	27-Apr-15
Low Price (BSE)	5296.75	5798.4	5215.5	4760	4981.6
Year End Price Date (BSE)	31-Mar-20	29-Mar-19	28-Mar-18	31-Mar-17	31-Mar-16
Year End Price (BSE)	6135.05	6664.85	7897.6	5850.5	6249.25
High Date (NSE)	25-Feb-20	25-Apr-18	24-Jan-18	1-Aug-16	19-Aug-15
High Price (NSE)	6932	8347.95	8537	6525	7450
Low Date (NSE)	23-Mar-20	15-Feb-19	11-Aug-17	28-Dec-16	27-Apr-15
Low Price (NSE)	5011	5840.1	5230.15	4780	4971
Year End Price Date (NSE)	31-Mar-20	29-Mar-19	28-Mar-18	31-Mar-17	31-Mar-16
Year End Price (NSE)	6141.3	6662.05	7930.8	5826.1	6247.9
CEPS (annualised) (Unit Curr)	131.29	186.5	176.46	145.1	136.9
EPS (annualised) (Unit Curr)	83.73	148.76	143.84	112.55	107.22
EPS (Annualised) (Adjusted) (Unit Curr)	83.73	148.76	143.84	112.55	107.22
Dividend (annualised%)	200	180	160	140	120
Payout (%)	22.69	5.38	4.87	5.33	0
Cash Flow From Operating Activities	224.3	149.96	310.78	179.58	242.16

	202003	201903	201803	201703	201603
Cash Flow From Investing Activities	-165.3	-428.65	-205.2	-119.91	-240.54
Cash Flow From Financing Activities	-47.58	-18.29	-17.61	-14.16	-11.62
Free Cash Flows to Equity	224.3	149.96	215.62	106.26	158.59
Free Cash Flows to the Firm	225.66	149.96	216.78	106.59	158.7
Price to Free Cash Flows to Equity	51.86	84.27	69.45	104.39	74.71
Price to Free Cash Flows to the Firm	51.55	84.27	69.08	104.07	74.66
Rate of Growth (%)					
ROG-Net Worth (%)	6.44	16.65	20.49	18.6	23.72
ROG-Capital Employed (%)	5.87	16.66	21	18.68	22.6
ROG-Gross Block (%)	15.07	28.36	22.8	11.16	-27.24
ROG-Gross Sales (%)	-32.39	9.19	15.63	13.05	36.95
ROG-Net Sales (%)	-32.39	10.91	24.47	12.83	35.94
ROG-Cost of Production (%)	-31.08	16.14	20.62	10.17	42.8
ROG-Total Assets (%)	-6.82	7.86	24.72	13.95	37.04
ROG-PBIDT (%)	-34.62	8.36	22.79	10.97	46.07
ROG-PBDT (%)	-35.02	8.75	22.5	10.88	46.24
ROG-PBIT (%)	-45.18	7.17	27.42	11.25	52.83
ROG-PBT (%)	-45.65	7.63	27.07	11.14	53.05
ROG-PAT (%)	-43.72	3.42	27.8	4.97	68.55
ROG-CP (%)	-29.61	5.69	21.61	5.99	55.13
ROG-Revenue earnings in forex (%)	-1.99	2.09	49.8	-8.86	29.34
ROG-Revenue expenses in forex (%)	-30.18	49.88	8.08	3.4	104.1
ROG-Market Capitalisation (%)	-7.95	-15.61	34.99	-6.38	9.85
Key Ratios					
Debt-Equity Ratio	0	0	0	0	0
Long Term Debt-Equity Ratio	0	0	0	0	0
Current Ratio	3.02	2.3	2.05	2.08	2.33
Turnover Ratios					
Fixed Assets Ratio	2.62	4.68	5.39	5.47	4.3
Inventory Ratio	14.64	20.14	18.82	14.09	13.62
Debtors Ratio	3.87	4.45	4.48	4.73	5.43
Total Asset Turnover Ratio	1.04	1.7	1.84	1.91	2.04
Interest Cover Ratio	100.6	0	236.67	654.15	1803.27
PBIDTM (%)	14.68	16.9	17.03	16.04	16.34
PBITM (%)	10.01	14.4	14.67	13.31	13.53
PBDTM (%)	14.58	16.9	16.97	16.02	16.33
CPM (%)	11.77	12.39	12.8	12.17	12.98
APATM (%)	7.1	9.89	10.44	9.44	10.17
ROCE (%)	10.36	24.43	27.04	25.46	27.56
RONW (%)	7.46	17.07	19.54	18.29	21.07
Debtors Velocity (Days)	94	82	81	77	67
Creditors Velocity (Days)	65	73	79	71	62
Inventory Velocity (Days)	31	23	25	37	38
Assets Utilisation Ratio (times)					
Value of Output/Total Assets	0.84	0.87	0.96	1.02	1.15
Value of Output/Gross Block	2.59	2.88	3.12	3.23	2.88

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