

# India Cement

 Estimate change 

 TP change 

 Rating change 

Motilal Oswal values your support in the Asiamoney Brokers Poll 2020 for India Research, Sales and Trading team. We request your ballot.



Bloomberg	ICEM IN
Equity Shares (m)	308
M.Cap.(INRb)/(USDb)	36 / 0.5
52-Week Range (INR)	140 / 68
1, 6, 12 Rel. Per (%)	-15/41/21
12M Avg Val (INR M)	353

## Financial Snapshot (INR b)

Y/E MARCH	2020	2021E	2022E
Sales	50.6	47.1	54.4
EBITDA	5.9	7.4	7.2
Adj. PAT	0.2	1.4	1.4
EBITDA Margin (%)	11.6	15.6	13.3
Adj. EPS (INR)	0.7	4.5	4.5
EPS Gr. (%)	-69.5	561.0	-1.4
BV/Sh. (INR)	174.7	178.6	181.8

## Ratios

Net D:E	0.7	0.6	0.6
RoE (%)	0.4	2.6	2.5
RoCE (%)	2.2	4.1	4.0
Payout (%)	-81.1	15.4	26.1

## Valuations

P/E (x)	168.7	25.5	25.9
P/BV (x)	0.7	0.6	0.6
EV/EBITDA(x)	12.3	9.3	9.3
EV/ton (USD)	62	59	59
Div. Yield (%)	0.7	0.5	0.9

## Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	28.3	28.3	28.2
DII	8.9	8.3	23.5
FII	12.3	12.9	15.2
Others	50.5	50.6	33.2

FII Includes depository receipts

**CMP: INR116**
**TP: INR114 (-2%)**
**Neutral**

## Beat led by improved margins

### Price and margins to stay strong in near term

- India Cement (ICEM)'s 1QFY21 result was a surprise, led by a sharp rise in realization and lower fixed costs. EBITDA per ton, thus, reached decadal highs of INR1,090/t in 1QFY21 (from decadal lows of INR255/t in 4QFY20), driving 131% QoQ growth in EBITDA.
- We raise our FY21 EBITDA estimate by 17%, after factoring lower costs, but keep FY22 estimates largely unchanged (as discretionary cost cuts should normalize). Maintain **Neutral**. Any potential change in ownership and management control is a key monitorable.

### Cost cut drives beat on EBITDA; volumes down 53% YoY

- Volumes fell 53% YoY to 1.43mt (est.: 1.52mt) on weak demand due to the COVID-19 impact. Thus, revenue fell 48% YoY to INR7.6b.
- Cement realization rose 22% QoQ (+10% YoY) to INR5,301/t (est.: INR5,107/t), driven by a sharp price hike in southern India.
- Despite low volumes, cost per ton increased by just 4% YoY (and 3% QoQ) to INR4,211/t, significantly below our estimate of INR4,511/t, on account of lower freight and fixed costs (admin, employee, dealer spends, etc.).
- EBITDA/t improved 328% QoQ (+37% YoY) to INR1,090 (est.: INR596/t), the highest level since 1QFY13.
- EBITDA came in 72% above our estimate at INR1.6b (-36% YoY; +131% QoQ), led by better-than-expected realization and lower costs. The EBITDA margin expanded 14.71pp QoQ to 20.6% (+4.10pp YoY).
- Reported PAT was down 77% YoY to INR170m (est.: loss of INR438m).

### Highlights from management commentary

- Cost reduction was in focus and was achieved by cutting admin costs, contractual labor cost, spends on dealer engagements, etc. Fixed cost stood at INR1.3b in 1QFY21, down from an average level of INR2b.
- Demand is expected to be better in 2QFY21 as government spends in Andhra Pradesh (AP) and Telangana should rise on irrigation projects, infrastructure (roads), low-cost housing, schools, etc.
- Term debt stood at INR25b and should decline to INR20b by Mar'21. Working capital debt stands at INR5.5b. The company has INR5.3b worth of debt repayments planned for FY21.
- India cement trade sales mix stood at 67%, and the company is focused on improving the trade mix to boost realization, as the NPR differential between trade and non-trade stands at INR800/ton.

### Valuation and view

- While we expect ICEM's net debt to decline to INR31.8b in FY22 (from INR36.2b in FY20), net debt / EBITDA would remain elevated at 4.4x.
- ICEM is also losing market share in southern India, evident from its weaker volume trends v/s peers Ramco and Dalmia.
- ICEM trades at 9.3x FY22E EV/EBITDA and USD55/t of capacity. We value it at 9x FY22E EV/EBITDA to arrive at TP of INR114. Maintain **Neutral**.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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## Quarterly Perf. (Standalone)

(INR m)

Y/E March	FY20				FY21				FY20	FY21E	FY21	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Sales Dispatches (m ton)	3.04	2.67	2.66	2.65	1.43	2.40	2.66	3.15	11.02	9.64	1.52	-6
YoY Change (%)	-1	-13	-10	-21	-53	-10	0	19	-11.4	-12.5	-50.0	
Realization (INR/ton)	<b>4,828</b>	<b>4,671</b>	<b>4,478</b>	<b>4,352</b>	<b>5,301</b>	<b>5,068</b>	<b>4,754</b>	<b>4,652</b>	<b>4,589</b>	<b>4,880</b>	<b>5,107</b>	4
YoY Change (%)	9.1	3.6	0.6	-7.3	9.8	8.5	6.2	6.9	1.4	6.3	5.8	
QoQ Change (%)	2.8	-3.3	-4.1	-2.8	21.8	-4.4	-6.2	-2.1			17.3	
<b>Net Sales</b>	<b>14,688</b>	<b>12,457</b>	<b>11,911</b>	<b>11,519</b>	<b>7,570</b>	<b>12,164</b>	<b>12,645</b>	<b>14,673</b>	<b>50,575</b>	<b>47,052</b>	<b>7,767</b>	-3
YoY Change (%)	7.9	-10.2	-9.5	-26.3	-48.5	-2.4	6.2	27.4	-10.1	-7.0	-47.1	
<b>EBITDA</b>	<b>2,420</b>	<b>1,472</b>	<b>1,287</b>	<b>675</b>	<b>1,557</b>	<b>2,459</b>	<b>1,835</b>	<b>1,510</b>	<b>5,852</b>	<b>7,361</b>	<b>906</b>	72
Margins (%)	16.5	11.8	10.8	5.9	20.6	20.2	14.5	10.3	11.6	15.6	11.7	
Depreciation	599	613	615	642	600	615	615	620	2,469	2,450	630	
Interest	799	816	806	924	730	800	830	853	3,345	3,213	900	(19)
Other Income	32	32	33	180	33	40	50	125	277	247	40	
<b>PBT before EO expense</b>	<b>1,054</b>	<b>75</b>	<b>-101</b>	<b>-711</b>	<b>261</b>	<b>1,084</b>	<b>440</b>	<b>161</b>	<b>316</b>	<b>1,945</b>	<b>-584</b>	
Extra-Ord expense	0	0	0	1,000	0	0	0	0	1,000		0	
<b>PBT</b>	<b>1,054</b>	<b>75</b>	<b>-101</b>	<b>-1,711</b>	<b>261</b>	<b>1,084</b>	<b>440</b>	<b>161</b>	<b>-684</b>	<b>1,945</b>	<b>-584</b>	
Tax	331	34	-48	-600	91	293	110	51	(329)	545	(146)	
Rate (%)	31.5	44.8	46.9	35.1	34.9	27.0	25.0	31.7	48.1	28.0	25.0	
<b>Reported PAT</b>	<b>722</b>	<b>41</b>	<b>-54</b>	<b>-1,111</b>	<b>170</b>	<b>791</b>	<b>330</b>	<b>110</b>	<b>-355</b>	<b>1,401</b>	<b>-438</b>	-139
<b>Adj PAT</b>	<b>706</b>	<b>50</b>	<b>-68</b>	<b>-476</b>	<b>170</b>	<b>791</b>	<b>330</b>	<b>110</b>	<b>212</b>	<b>1,401</b>	<b>-438</b>	
YoY Change (%)	235.8	250.0	-316.6	-208.6	-76.0	1,480.6	-586.7	-123.1	-69.5	561.0	-162.1	
Margins (%)	4.8	0.4	-0.6	-4.1	2.2	6.5	2.6	0.7	0.4	3.0	-5.6	

E: MOFSL Estimates

## Per ton analysis

(INR/t)

	FY20				FY21				FY20	FY21E	FY21	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Sales Dispatches (m ton)	<b>3.04</b>	<b>2.67</b>	<b>2.66</b>	<b>2.65</b>	<b>1.43</b>	<b>2.40</b>	<b>2.66</b>	<b>3.15</b>	<b>11.02</b>	<b>9.64</b>	1.52	
YoY Change (%)	-1.1	-13	-10	-21	-53.1	-10	0	19	-11.4	-12.5	-50.0	
<b>Net Realizations</b>	<b>4,828</b>	<b>4,671</b>	<b>4,478</b>	<b>4,352</b>	<b>5,301</b>	<b>5,068</b>	<b>4,754</b>	<b>4,652</b>	<b>4,589</b>	<b>4,880</b>	<b>5,107</b>	4
YoY (%)	9.1	4	1	-7	9.8	8	6	7	1.4	6.3	5.8	70
RM Cost	851	866	870	681	1,097	880	860	860	818	900	830	32
Employee Expenses	324	327	326	292	525	333	308	269	318	334	526	0
Power, Oil & Fuel	1,240	1,251	1,153	1,275	1,079	1,200	1,270	1,287	1,230	1,230	1,200	-10
Freight cost	1,058	1,021	1,041	1,090	954	1,030	1,045	1,055	1,052	1,031	1,055	-10
Other Expenses	559	655	604	758	556	600	580	703	641	622	900	-38
<b>Total Exp</b>	<b>4,033</b>	<b>4,119</b>	<b>3,994</b>	<b>4,097</b>	<b>4,211</b>	<b>4,043</b>	<b>4,064</b>	<b>4,173</b>	<b>4,058</b>	<b>4,116</b>	<b>4,511</b>	-7
<b>EBITDA</b>	<b>795</b>	<b>552</b>	<b>484</b>	<b>255</b>	<b>1,090</b>	<b>1,024</b>	<b>690</b>	<b>479</b>	<b>531</b>	<b>763</b>	<b>596</b>	83

## Conference call highlights

## Operational highlights

- 1QFY21 sales volumes declined 53% YoY to 1.43mt on 48% decline in volumes in the main markets.
- Capacity utilization was at 35% for 1QFY21.
- Breakeven utilization stands at 32%, down from 62% in FY20.
- Net plant realization stands at INR4,235/t and EBITDA stands at INR1,090/t.
- India cement trade sales mix stood at 67%.
- Revenue for Windmill/Shipping/RMC stood at INR42m/INR60m/INR80m.
- EBITDA for Windmill/Shipping stood at INR42m/INR38m. EBITDA loss for RMC stood at INR20m.

## Cost-reduction measures

- Focus on cost reduction led to the company achieving lower fixed cost. Fixed cost for the quarter stood at INR1.3b, down from an average level of INR1.9b.
- This was achieved by cutting down travel and admin expenses, and curtailing contractual labor to 970, down from pre-COVID-19 levels of 1,500.

- Variable cost of production was at INR2,150/t for 1QFY21 and is expected to drop to INR2,100/t, supported by lower fuel prices.
- The rationalization of geographical distribution and distribution channels through a reduction in the no. of warehouses and direct sales from plants led to a reduction in freight cost to INR954/t (from INR1,058 YoY).
- Gifts and discounts to dealers were capped as a part of cost-reduction measures.
- The fuel mix stood at 50%/50% for pet coke / coal.

#### **Guidance on cost and margin**

- India Cements could not benefit from lower fuel prices due to the high-cost fuel inventory carried forward from the previous quarter. Hence, the benefit of lower prices is expected to be realized in 2QFY21.
- Fixed cost is expected to increase to INR1.5b per quarter with an increase in production.
- Lead distance is expected to increase as supply is directed to the western and eastern regions with the normalization of the COVID-19 situation.

#### **Demand and pricing insights**

- The company is focused on improving the trade mix (67% in 1QFY21) to boost realizations as the NPR differential between trade and non-trade stands at INR800/ton.
- The company expects govt. spending on infrastructure, low-cost housing, etc., to support demand and pricing in AP and Telangana.
- Average monthly demand for AP and Telangana is 1.0mt and 1.6mt, respectively (subdued in FY20 due to elections), and is expected to revive by 3QFY21.
- India Cements expects capacity expansion by Chettinad, Penna, and Ramco to have no impact on the southern market, which has a monthly capacity of 12–13mt.
- Road and irrigation projects are supporting demand and offsetting muted demand from metros.

#### **Debt**

- Debt reduced by INR1.3b in 1QFY21.
- Standalone gross debt stood at INR34.4b as of 30<sup>th</sup> June 2020.
- Term debt stood at INR25b and should decline to INR20b by Mar'21. Working capital debt stands at INR5.5b. The company has INR5.3b of debt repayments planned in FY21.
- Management highlighted that industry in southern India has witnessed a shift from credit-based sales to cash-and-carry, leading to improved liquidity for India Cements.

## Key exhibits

Exhibit 1: Volumes decline 53% YoY; realizations up 22% QoQ

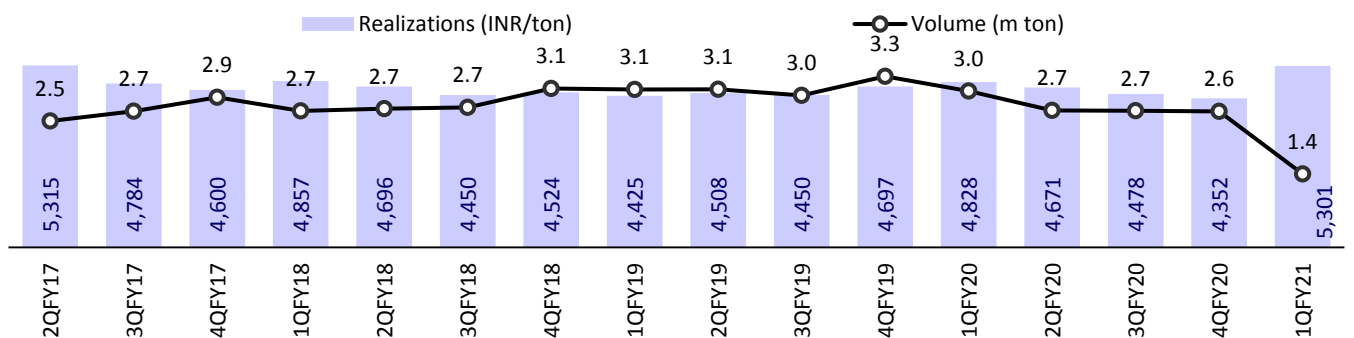


Exhibit 2: Margins improve 410pp YoY

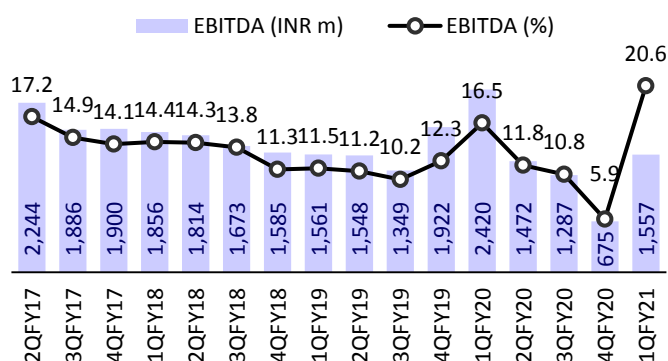
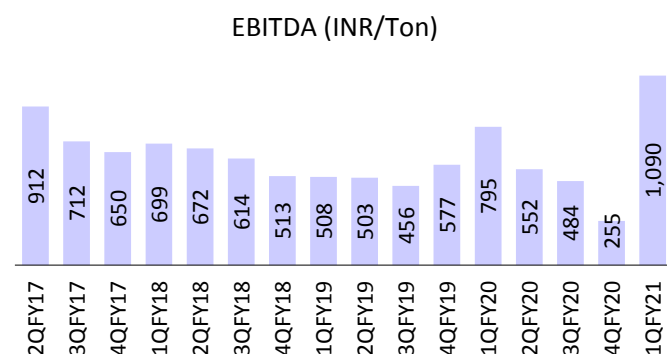


Exhibit 3: Trend in EBITDA/t (INR)



Source: Company, MOFSL

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Exhibit 4: Key operating indicators (incl. other businesses)

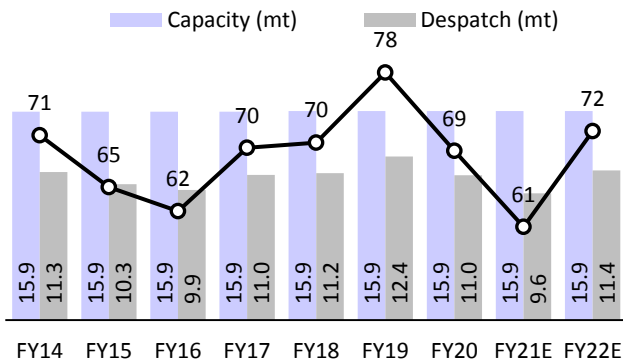
INR/Ton	1QFY21	1QFY20	YoY (%)	4QFY20	QoQ (%)
<b>Net realization</b>	<b>5,301</b>	<b>4,828</b>	<b>9.8%</b>	<b>4,352</b>	<b>21.8%</b>
Expenditure					
RM Cost	1,097	851	28.9%	681	61.0%
Staff Cost	525	324	61.8%	292	79.6%
Energy Cost	1,079	1,240	-13.0%	1,275	-15.4%
Selling Exp.	954	1,058	-9.8%	1,090	-12.5%
Other Exp.	556	559	-0.6%	758	-26.7%
<b>Total Exp.</b>	<b>4,211</b>	<b>4,033</b>	<b>4.4%</b>	<b>4,097</b>	<b>2.8%</b>
<b>EBITDA</b>	<b>1090</b>	<b>795</b>	<b>37.1%</b>	<b>255</b>	<b>327.9%</b>

## Valuation and view

- With ~80% of its capacity in southern India, ICEM has a good brand recall in the region. Also, it is one of the most leveraged plays on price recovery in this region. We note that for every INR10/t of price hike, its EPS rises by 6%.
- While we expect ICEM's net debt to decline to INR31.8b in FY22 (from INR36.2b in FY20), net debt / EBITDA would remain elevated at 4.4x. While the company has plans to set up a capacity in Damoh, Madhya Pradesh, for which it has a mining lease, we believe elevated debt levels would delay the expansion.
- The company is also losing market share in southern India, evident from its weaker volume trends v/s peers Ramco and Dalmia.
- ICEM trades at 9.3x FY22E EV/EBITDA and USD55/t of capacity. We value it at 9x FY22E EV/EBITDA to arrive at TP of INR114. Maintain **Neutral**.

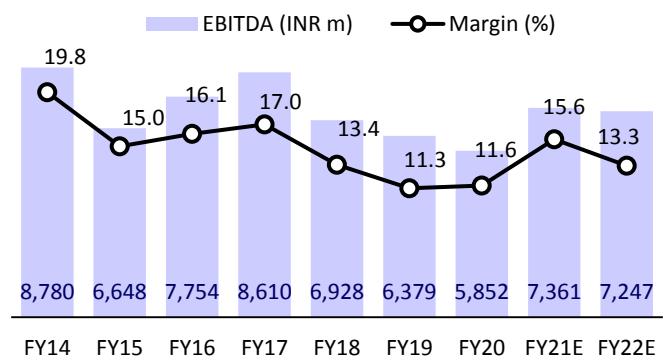
## Story in charts

**Exhibit 5: Capacity utilization to decline in FY21**



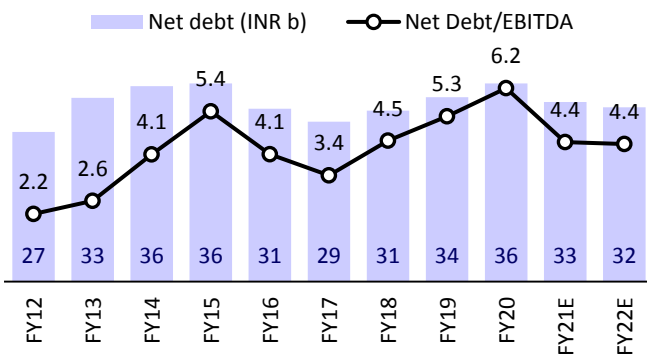
Source: Company, MOFSL

**Exhibit 6: EBITDA and margin trend**



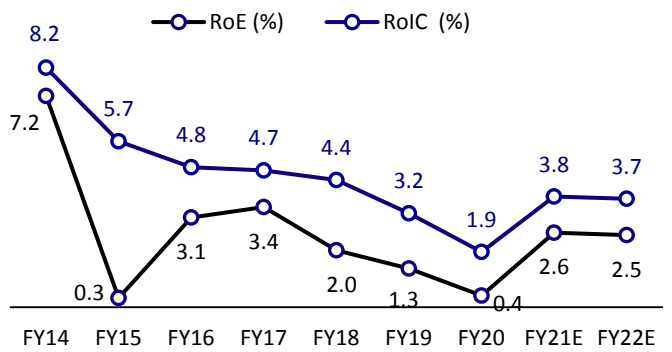
Source: Company, MOFSL

**Exhibit 7: Net debt profile**



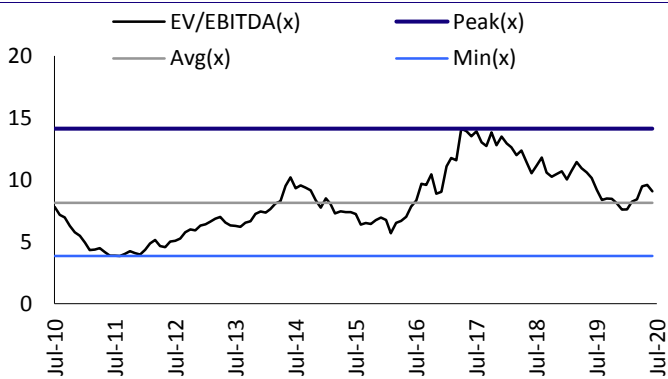
Source: Company, MOFSL

**Exhibit 8: RoE/RoIC profile**



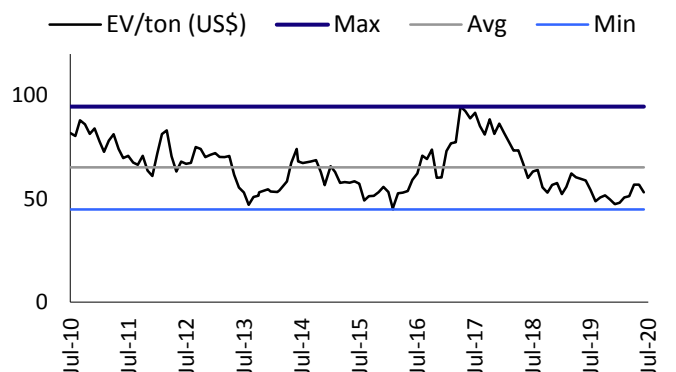
Source: Company, MOFSL

**Exhibit 9: ICEM's EV/EBITDA trend**



Source: MOFSL, Company

**Exhibit 10: ICEM's EV/ton trend**



Source: MOFSL, Company

## Financials and valuations

### Standalone Income Statement

(INR m)

Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
<b>Net Sales</b>	<b>44,236</b>	<b>48,114</b>	<b>50,795</b>	<b>51,692</b>	<b>56,280</b>	<b>50,575</b>	<b>47,052</b>	<b>54,412</b>
Change (%)	-0.4	8.8	5.6	1.8	8.9	-10.1	-7.0	15.6
<b>EBITDA</b>	<b>6,648</b>	<b>7,754</b>	<b>8,610</b>	<b>6,928</b>	<b>6,379</b>	<b>5,852</b>	<b>7,361</b>	<b>7,247</b>
Margin (%)	15.0	16.1	17.0	13.4	11.3	11.6	15.6	13.3
Depreciation	2,579	2,195	2,571	2,559	2,513	2,469	2,450	2,491
<b>EBIT</b>	<b>4,069</b>	<b>5,560</b>	<b>6,040</b>	<b>4,369</b>	<b>3,866</b>	<b>3,384</b>	<b>4,911</b>	<b>4,756</b>
Int. and Finance Charges	4,260	3,825	3,605	3,402	3,242	3,345	3,213	3,098
Other Income - Rec.	308	221	165	194	310	277	247	260
<b>PBT bef. EO Exp.</b>	<b>117</b>	<b>1,956</b>	<b>2,600</b>	<b>1,161</b>	<b>934</b>	<b>316</b>	<b>1,945</b>	<b>1,918</b>
EO Expense/(Income)	0	32	0	0	0	1,000	0	0
<b>PBT after EO Exp.</b>	<b>117</b>	<b>1,924</b>	<b>2,600</b>	<b>1,161</b>	<b>934</b>	<b>-684</b>	<b>1,945</b>	<b>1,918</b>
Current Tax	0	625	867	179	325	69	545	537
Deferred Tax	0	0	0	-24	-85	-398	0	0
Tax Rate (%)	0.0	32.5	33.3	13.3	25.7	48.1	28.0	28.0
<b>Reported PAT</b>	<b>117</b>	<b>1,299</b>	<b>1,734</b>	<b>1,006</b>	<b>694</b>	<b>-355</b>	<b>1,401</b>	<b>1,381</b>
<b>PAT Adj for EO items</b>	<b>117</b>	<b>1,321</b>	<b>1,734</b>	<b>1,006</b>	<b>694</b>	<b>212</b>	<b>1,401</b>	<b>1,381</b>
Change (%)	-95.9	1,024.8	31.3	-42.0	-31.0	-69.5	561.0	-1.4
Margin (%)	0.3	2.7	3.4	1.9	1.2	0.4	3.0	2.5

### Balance Sheet

(INR m)

Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
Equity Share Capital	3,072	3,082	3,082	3,082	3,099	3,099	3,099	3,099
Total Reserves	32,859	46,728	48,018	48,922	49,298	51,050	52,235	53,254
<b>Net Worth</b>	<b>35,931</b>	<b>49,809</b>	<b>51,099</b>	<b>52,003</b>	<b>52,397</b>	<b>54,149</b>	<b>55,334</b>	<b>56,354</b>
Deferred Liabilities	3,297	5,719	6,556	6,532	6,308	5,910	5,910	5,910
Secured Loan	21,968	21,331	23,797	28,180	26,433	23,750	23,750	23,750
Unsecured Loan	10,039	10,218	5,416	3,049	7,237	12,420	9,920	9,920
Total Loans	32,007	31,549	29,213	31,229	33,670	36,170	33,670	33,670
<b>Capital Employed</b>	<b>71,235</b>	<b>87,077</b>	<b>86,868</b>	<b>89,764</b>	<b>92,375</b>	<b>96,230</b>	<b>94,914</b>	<b>95,935</b>
Gross Block	67,600	74,536	75,015	75,794	77,474	81,070	82,270	83,770
Less: Accum. Deprn.	31,852	2,712	5,286	7,831	10,344	12,812	15,262	17,753
<b>Net Fixed Assets</b>	<b>35,749</b>	<b>71,824</b>	<b>69,729</b>	<b>67,963</b>	<b>67,131</b>	<b>68,258</b>	<b>67,008</b>	<b>66,017</b>
Capital WIP	1,000	926	1,278	1,712	1,770	1,958	1,958	1,958
<b>Total Investments</b>	<b>15,852</b>	<b>5,507</b>	<b>6,190</b>	<b>5,884</b>	<b>6,946</b>	<b>7,369</b>	<b>7,369</b>	<b>7,369</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>30,513</b>	<b>25,364</b>	<b>29,256</b>	<b>31,700</b>	<b>35,203</b>	<b>36,939</b>	<b>37,207</b>	<b>40,002</b>
Inventory	6,069	5,994	7,450	6,723	8,232	8,263	7,735	8,199
Account Receivables	4,661	5,359	5,089	6,295	7,290	7,163	7,090	7,454
Cash and Bank Balance	39	67	68	84	67	66	935	1,902
Loans and Advances	19,540	13,945	16,649	18,599	19,614	21,447	21,447	22,447
Real Estate Projects WIP	204	0	0	0	0	0	0	0
<b>Curr. Liability &amp; Prov.</b>	<b>11,879</b>	<b>16,544</b>	<b>19,584</b>	<b>17,495</b>	<b>18,675</b>	<b>18,295</b>	<b>18,628</b>	<b>19,412</b>
Account Payables	8,253	10,367	13,180	11,759	9,298	13,342	13,535	14,162
Other Current Liabilities	3,038	4,569	4,796	4,307	7,971	3,727	3,867	4,025
Provisions	588	1,609	1,608	1,428	1,405	1,225	1,225	1,225
<b>Net Current Assets</b>	<b>18,634</b>	<b>8,820</b>	<b>9,671</b>	<b>14,205</b>	<b>16,528</b>	<b>18,644</b>	<b>18,579</b>	<b>20,590</b>
<b>Appl. of Funds</b>	<b>71,235</b>	<b>87,077</b>	<b>86,868</b>	<b>89,764</b>	<b>92,375</b>	<b>96,230</b>	<b>94,915</b>	<b>95,935</b>

## Financials and valuations

### Ratios

Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
<b>Basic (INR)</b>								
<b>Standalone EPS</b>	<b>0.4</b>	<b>4.3</b>	<b>5.6</b>	<b>3.3</b>	<b>2.3</b>	<b>0.7</b>	<b>4.5</b>	<b>4.5</b>
Cash EPS	8.8	11.4	14.0	11.6	10.4	8.6	12.4	12.5
BV/Share	117.0	161.6	165.8	168.8	169.1	174.7	178.6	181.8
DPS	0.0	0.0	1.0	0.8	0.8	0.8	0.6	1.0
Payout (%)	0.0	0.0	17.8	24.5	53.9	-81.1	15.4	26.1
<b>Valuation (x)</b>								
P/E				35.5	51.5	168.7	25.5	25.9
Cash P/E				10.0	11.2	13.4	9.3	9.3
P/BV				0.7	0.7	0.7	0.6	0.6
EV/Sales				1.3	1.2	1.4	1.5	1.2
EV/EBITDA				9.7	10.9	12.3	9.3	9.3
EV/Ton (US\$)				58	60	62	59	59
Dividend Yield (%)				0.7	0.7	0.7	0.5	0.9
<b>Return Ratios (%)</b>								
RoIC	5.7	4.8	4.7	4.4	3.2	1.9	3.8	3.7
RoE	0.3	3.1	3.4	2.0	1.3	0.4	2.6	2.5
RoCE	6.3	5.2	5.1	4.8	3.7	2.2	4.1	4.0
<b>Working Capital Ratios</b>								
Asset Turnover (x)	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6
Inventory (Days)	50.1	45.5	53.5	47.5	53.4	59.6	60.0	55.0
Debtor (Days)	34	36	32	43	47	52	55	50
<b>Leverage Ratio (x)</b>								
Current Ratio	2.6	1.5	1.5	1.8	1.9	2.0	2.0	2.1
Debt/Equity	0.9	0.6	0.6	0.6	0.6	0.7	0.6	0.6

### Cash Flow Statement

Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
<b>(INR m)</b>								
OP/(Loss) before Tax	295	1,910	2,517	1,257	853	282	1,945	1,918
Depreciation	2,579	2,693	2,571	2,559	2,513	2,469	2,450	2,491
Interest & Finance Charges	3,947	3,652	3,528	3,220	3,074	3,050	3,213	3,098
Direct Taxes Paid	-383	-55	-637	-384	-88	-312	-545	-537
(Inc)/Dec in WC	-817	767	112	-2,072	-3,069	-1,269	934	-1,044
<b>CF from Operations</b>	<b>5,621</b>	<b>8,966</b>	<b>8,090</b>	<b>4,580</b>	<b>3,283</b>	<b>4,220</b>	<b>7,997</b>	<b>5,925</b>
Others	173	204	30	105	-119	-81	0	0
<b>CF from Operating incl EO</b>	<b>5,794</b>	<b>9,169</b>	<b>8,121</b>	<b>4,685</b>	<b>3,164</b>	<b>4,139</b>	<b>7,997</b>	<b>5,925</b>
(Inc)/Dec in FA	-1,324	-1,598	-788	-1,902	-1,712	-1,365	-1,200	-1,500
<b>Free Cash Flow</b>	<b>4,470</b>	<b>7,571</b>	<b>7,332</b>	<b>2,783</b>	<b>1,452</b>	<b>2,774</b>	<b>6,797</b>	<b>4,425</b>
(Pur)/Sale of Investments	-6,397	5	-683	344	-923	-278	0	0
Others	6,722	430	-405	-1,385	231	-1,759	0	0
<b>CF from Investments</b>	<b>-999</b>	<b>-1,162</b>	<b>-1,876</b>	<b>-2,942</b>	<b>-2,404</b>	<b>-3,403</b>	<b>-1,200</b>	<b>-1,500</b>
Issue of Shares	0	0	0	0	18	0	0	0
Inc/(Dec) in Debt	-17	3,463	16,880	9,583	5,424	2,562	-2,500	0
Interest Paid	-4,781	-5,042	-3,537	-3,411	-3,136	-3,000	-3,213	-3,098
Dividend Paid	11	-2	-370	-371	-336	-300	-216	-361
Others	0	-6,398	-19,217	-7,528	-2,746	0	0	0
<b>CF from Fin. Activity</b>	<b>-4,787</b>	<b>-7,979</b>	<b>-6,243</b>	<b>-1,727</b>	<b>-776</b>	<b>-738</b>	<b>-5,929</b>	<b>-3,459</b>
<b>Inc/Dec of Cash</b>	<b>8</b>	<b>28</b>	<b>1</b>	<b>16</b>	<b>-16</b>	<b>-1</b>	<b>869</b>	<b>966</b>
Opening Balance	31	39	67	68	84	68	67	935
<b>Closing Balance</b>	<b>39</b>	<b>67</b>	<b>68</b>	<b>84</b>	<b>68</b>	<b>67</b>	<b>935</b>	<b>1,902</b>

NOTES



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Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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