

Coromandel International

Estimate change

TP change

Rating change


	CRIN IN
Bloomberg	
Equity Shares (m)	292
M.Cap.(INRb)/(USDb)	215.1 / 2.8
52-Week Range (INR)	838 / 444
1, 6, 12 Rel. Per (%)	-11/4/53
12M Avg Val (INR M)	304

Financials & Valuations (INR b)

Y/E Mar	2020	2021E	2022E
Sales	131.4	145.4	158.2
EBITDA	17.3	21.9	23.3
PAT	10.7	14.7	16.0
EBITDA (%)	13.2	15.1	14.7
EPS (INR)	36.3	50.1	54.5
EPS Gr. (%)	42.8	37.8	8.8
BV/Sh. (INR)	147	181	216
Ratios			
Net D/E	0.4	0.0	0.0
RoE (%)	27.7	30.5	27.5
RoCE (%)	20.3	26.1	25.8
Payout (%)	39.6	33.5	35.2
Valuations			
P/E (x)	20.2	14.6	13.5
EV/EBITDA (x)	5.0	4.1	3.4
Div Yield (%)	1.6	1.9	2.2
FCF Yield (%)	7.1	8.7	3.7

Shareholding pattern (%)

	Sep-20	Jun-20	Sep-19
Promoter	59.6	59.6	61.7
DII	19.7	21.3	18.6
FII	5.9	4.3	3.4
Others	14.9	14.9	16.3

CMP: INR734
TP: INR981 (+34%)
Buy

Higher gross margin results in beat on EBITDA

EBITDA/PAT above estimates

- Coromandel International (CRIN) reported a robust EBITDA performance, led by expansion in the gross margin, higher crop protection revenue, and margin expansion in the Fertilizer and Crop Protection segments.
- CRIN reported better-than-expected numbers in 2Q; factoring in the same, we increase our earnings estimates by 16%/13% for FY21/FY22E. Maintain **Buy**.

Strong show continues

- 2QFY21 revenue de-grew 5% YoY to INR46.1b (v/s est. INR45.2b). Overall fertilizer volumes de-grew 2% YoY on lower manufacturing volumes (-17% YoY), offset by higher trading volumes (+89% YoY). In 1HFY21, overall volumes grew 15% YoY, led by 67% YoY growth in trading volumes and 5% YoY growth in manufacturing volumes.
- EBITDA margins expanded 360bp to 18.3% (v/s est. 15.4%), primarily on the back of gross margin expansion (+600bp YoY to 33.5%). EBITDA was up 18% YoY to INR8.4b (v/s est. INR7b).
- Nutrient and Other Allied segment revenues de-grew 9% YoY (to INR40.1b), with 330bp EBIT margin expansion (to 17.6%); segmental EBIT grew 12% YoY to INR7.1b. CRIN has contracted phosphoric acid to USD689/mt for 3QFY21 (v/s USD625/mt in 2QFY20).
- According to our calculations, blended EBITDA/mt for Fertilizer stood at INR4,120 (+17% YoY; +18% QoQ); EBITDA/mt for manufacturing fertilizer (assuming EBITDA/mt of INR1,751 for traded fertilizer) stood at INR5,018/MT (+25% YoY; +28% QoQ). Share of unique-grade during the quarter stood at 45% (v/s 39% YoY). Margins in the Fertilizer segment expanded on lower raw material cost, higher trading margins, and the backward integration of phosphoric acid.
- Plant Protection revenue grew 25% YoY (to INR6.4b), with the EBIT margin expanding 540bp (to 21.7%) on account of better realization and higher contribution from new product sales. Segmental EBIT grew 66% YoY to INR1,385m.
- In 1HFY21, revenue / EBITDA / adj. PAT grew 12%/38%/48% YoY. In 1HFY21, CFO increased 24% YoY to INR20.9b, largely led by an increase in trade payables, decrease in receivables, and lower inventory. This was partly offset by higher government subsidy.
- Gross debt decreased to INR1.4b in 1HFY21 from INR16.3b in FY20. The company had net cash of INR2b as of 1HFY21 v/s net debt of INR15.2b as of FY20.

Highlights from management commentary

- Subsidy outstanding as of Sept'20 stood at INR28.6b (INR10b higher v/s this period last year). Subsidy outstanding includes INR21b (claimed and pending at Dept. of Fertilizer). In 2QFY21, subsidy received from the government was low and stood at INR7.9b (v/s INR10.2b in 2QFY20).

- Initially, the company planned to spend INR4.5–5b on capex in FY21; however, due to COVID-19, part of this was deferred to FY22. Hereafter, CRIN plans to maintain an annual capex run-rate of INR4–5b for the next 2–3 years.
- CRIN has identified 30–35 molecules that have gone off or will go off patent soon and plans to focus on these molecules.

Valuation and view

- Normal southwest monsoon predictions for the current year have augured well for the consumption of fertilizers and agrochemicals, thus providing a good start to FY21. Thus, CRIN reported a strong performance in 1HFY21, (revenue / EBITDA / adj. PAT grew 12%/38%/48% YoY) – on the back of higher volumes in Fertilizer, strong revenue growth in Crop Protection (off a lower base), and operating leverage.
- In the current quarter, the company reported a strong performance (off a high base), primarily owing to expansion in gross margins, leading to a beat on our EBITDA and PAT estimates. Factoring in the same, we increase our earnings estimates for FY21/FY22 by 16%/13%.
- The structural story remains intact with regard to increasing farmers' awareness about having balanced nutrients in crops. This is likely to help the shift from urea to complex fertilizers, and CRIN thus stands to be a key beneficiary.
- However, the key monitorable in the near future shall be RM prices and acreage movement in rabi.
- We expect a revenue/EBITDA/PAT CAGR of 10%/16%/22% over FY20–22E. We value CRIN at 18x FY22E EPS to arrive at TP of INR981. Maintain **Buy**.

Quarterly Performance (INR m)

Y/E March	FY20				FY21				FY20	FY21E	FY21 Var	
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE %	
Net Sales	21,307	48,580	32,787	28,693	32,132	46,113	35,692	31,441	1,31,367	1,45,378	45,206	2
YoY Change (%)	-15.7	-3.0	7.5	8.8	50.8	-5.1	8.9	9.6	-0.7	10.7	-6.9	
Total Expenditure	19,354	41,450	28,467	24,786	28,007	37,682	30,776	27,030	1,14,057	1,23,495	38,232	
EBITDA	1,953	7,130	4,320	3,907	4,125	8,431	4,915	4,411	17,310	21,882	6,974	21
Margins (%)	9.2	14.7	13.2	13.6	12.8	18.3	13.8	14.0	13.2	15.1	15.4	
Depreciation	305	417	408	451	421	420	440	480	1,580	1,761	455	
Interest	796	664	459	434	434	253	140	120	2,353	947	385	
Other Income	100	95	91	115	107	82	110	130	400	429	100	
PBT before EO expense	952	6,145	3,544	3,137	3,376	7,841	4,445	3,941	13,778	19,604	6,234	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	952	6,145	3,544	3,137	3,376	7,841	4,445	3,941	13,778	19,604	6,234	
Tax	326	1,110	899	800	896	1,967	1,119	992	3,135	4,974	1,569	
Rate (%)	34.3	18.1	25.4	25.5	26.5	25.1	25.2	25.2	22.8	25.4	25.2	
Minority Interest & P/L of Asso. Cos.	2	-4	-1	-4	-26	-15	-1	-5	-8	-46	-5	
Reported PAT	624	5,039	2,645	2,342	2,506	5,889	3,327	2,954	10,651	14,676	4,669	26
Adj PAT	624	5,039	2,645	2,342	2,506	5,889	3,327	2,954	10,651	14,676	4,669	26
YoY Change (%)	-30.8	30.8	71.0	105.3	301.4	16.9	25.8	26.1	43.1	37.8	-7.3	
Margins (%)	2.9	10.4	8.1	8.2	7.8	12.8	9.3	9.4	8.1	10.1	10.3	

Key Performance Indicators

Y/E March	FY20				FY21				FY20	FY21E
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume Growth (%)	-15.0	-12.0	5.8	-4.0	54.4	-2.1	5.9	6.1	-6.9	10.5
Manufacturing (%)	-16.4	9.1	32.8	12.9	60.7	-17.3	3.8	6.1	9.5	5.0
Trading (%)	-7.7	-59.3	-44.4	-43.3	25.0	88.8	14.9	6.2	-46.9	38.3
Mfg EBITDA/mt (INR)	3,466	4,025	3,831	3,701	3,929	5,018	4,100	3,900	3,480	3,939
Crop Protection Revenue Gr (%)	-35.8	-10.6	3.6	21.8	55.1	24.9	10.0	5.0	-6.5	20.5
Cost Break-up										
RM Cost (% of sales)	66.7	72.5	68.5	65.0	71.0	66.5	68.8	65.4	68.9	67.8
Staff Cost (% of sales)	5.2	2.3	3.7	4.1	3.8	3.0	3.6	3.9	3.5	3.5
Freight Cost (% of sales)	9.3	4.9	7.2	7.4	6.0	6.3	7.5	7.6	6.7	6.8
Other Cost (% of sales)	9.6	5.6	7.4	9.9	6.3	6.0	6.4	9.1	7.6	6.8
Gross Margins (%)	33.3	27.5	31.5	35.0	29.0	33.5	31.2	34.6	31.1	32.2
EBITDA Margins (%)	9.2	14.7	13.2	13.6	12.8	18.3	13.8	14.0	13.2	15.1
EBIT Margins (%)	7.7	13.8	11.9	12.0	11.5	17.4	12.5	12.5	12.0	13.8

Key exhibits

Exhibit 1: Revenue trend

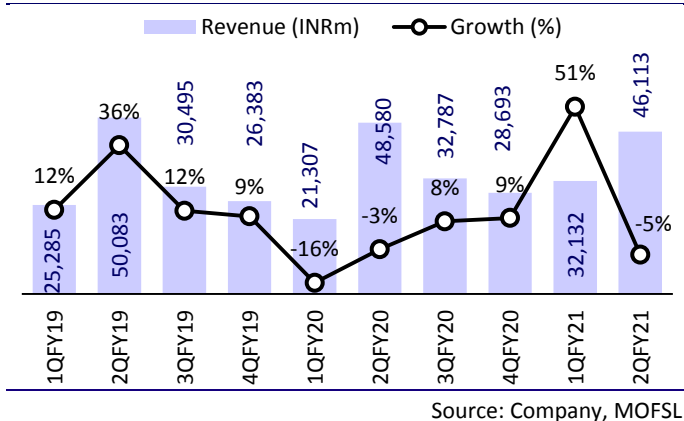


Exhibit 2: EBITDA trend

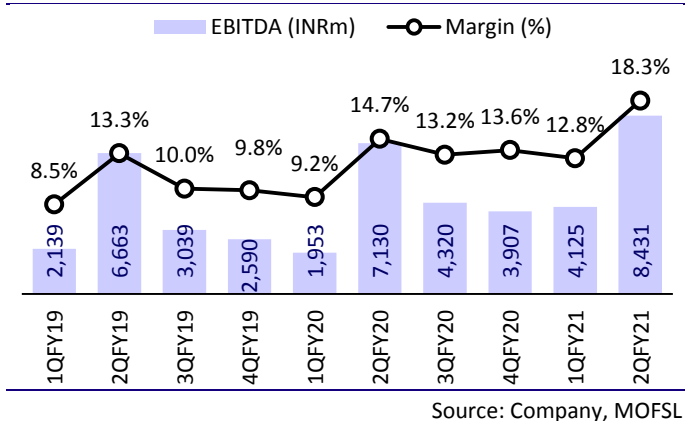


Exhibit 3: Adj. PAT trend

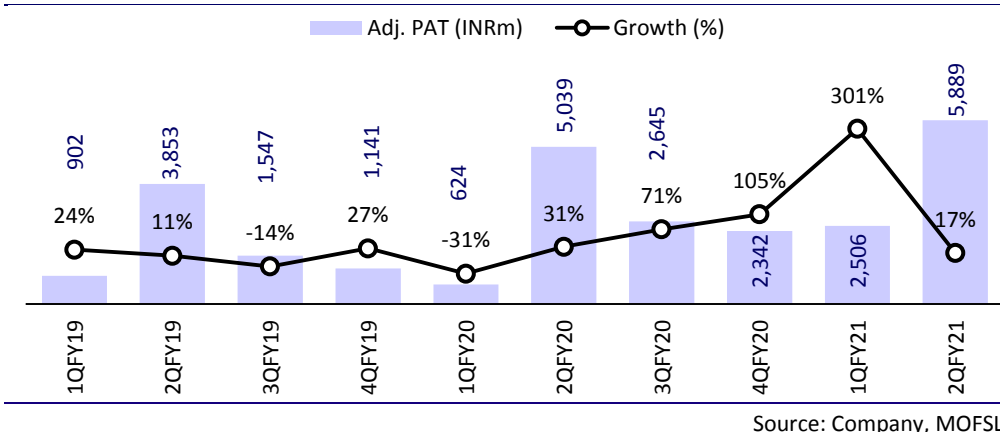
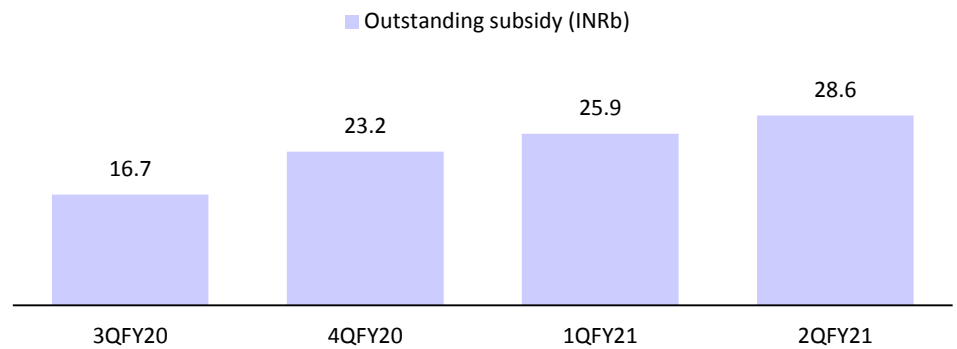
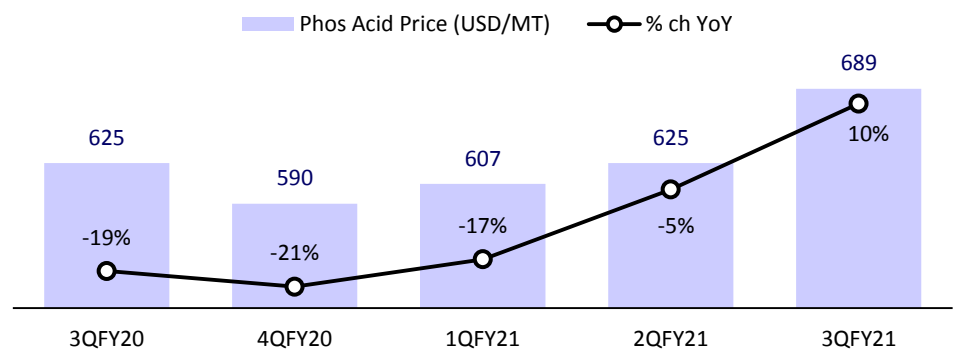


Exhibit 4: Subsidy outstanding trend

Source: Company, MOFSL

Exhibit 5: Phos. acid price trend

Source: Company, MOFSL

Exhibit 6: Segmental revenue and EBIT trend

INR m	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21
Segment Revenue										
Nutrient & Other Allied	21,302	44,734	26,209	22,807	18,816	43,914	28,408	24,362	28,072	40,142
YoY Growth %	8%	39%	12%	11%	-12%	-2%	8%	7%	49%	-9%
Crop Protection	4,222	5,704	4,464	3,629	2,710	5,099	4,625	4,420	4,202	6,371
YoY Growth %	16%	13%	3%	1%	0%	-36%	-11%	4%	0%	55%
Less : Inter-segment	240	356	178	53	218	433	247	89	142	400
Total	25,285	50,083	30,495	26,383	21,307	48,580	32,787	28,693	32,132	46,113
Segment EBIT										
Nutrient & Other Allied	1,716	5,669	2,414	2,005	2,020	6,282	3,649	3,119	3,695	7,064
Margin %	8.1%	12.7%	9.2%	8.8%	10.7%	14.3%	12.8%	12.8%	13.2%	17.6%
Crop Protection	571	1,051	699	510	59	834	713	598	542	1,385
Margin %	13.5%	18.4%	15.7%	14.1%	2.2%	16.3%	15.4%	13.5%	12.9%	21.7%
Unallocable expense	404	320	343	276	430	403	451	260	534	438
Total	1,883	6,400	2,770	2,239	1,648	6,713	3,912	3,457	3,704	8,011

Source: Company, MOFSL

Exhibit 7: Volume trend

Quarterly volume trend (MT)	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21
Manufactured								
NPK	4,96,425	4,70,000	3,50,000	10,42,000	6,30,000	5,80,000	6,30,000	9,37,000
Growth %	0.1%	-6.2%	-16.7%	2.2%	26.0%	23.4%	80.0%	-10.1%
DAP	18,741	1,00,000	90,000	1,60,000	1,10,000	1,00,000	1,40,000	16,000
Growth %	-82.6%	4.2%	-35.7%	77.8%	450.0%	0.0%	55.6%	-90.0%
SSP	1,54,174	1,30,000	1,20,000	1,94,000	1,50,000	1,10,000	1,30,000	2,02,000
Growth %	4.1%	-13.3%	9.1%	14.1%	0.0%	-15.4%	8.3%	4.1%
Total Mfg	6,69,339	7,00,000	5,60,000	13,96,000	8,90,000	7,90,000	9,00,000	11,55,000
Growth %	-11.7%	-6.3%	-16.4%	9.1%	32.8%	12.9%	60.7%	-17.3%
Traded								
MOP	39,227	30,000	20,000	66,000	40,000	50,000	30,000	81,000
Growth %	33.3%	-43.4%	0.0%	65.0%	0.0%	66.7%	50.0%	22.7%
DAP Traded	71,309	30,000	30,000	18,000	10,000	10,000	60,000	1,65,000
Growth %	1701.3%	2818.3%	-25.0%	-86.2%	-85.7%	-66.7%	100.0%	816.7%
Urea	2,62,150	2,40,000	70,000	1,48,000	1,50,000	1,10,000	60,000	1,92,000
Growth %	-35.9%	79.1%	0.0%	-63.0%	-40.0%	-54.2%	-14.3%	29.7%
Total Trading	3,72,685	3,00,000	1,20,000	2,32,000	2,00,000	1,70,000	1,50,000	4,38,000
Growth %	-15.1%	59.6%	-7.7%	-59.3%	-44.4%	-43.3%	25.0%	88.8%
Total	10,42,025	10,00,000	6,80,000	16,28,000	10,90,000	9,60,000	10,50,000	15,93,000
Growth %	-12.9%	6.9%	-15.0%	-12.0%	5.8%	-4.0%	54.4%	-2.1%

Source: Company, MOFSL

**Management call highlights****Agri scenario**

- India posted two consecutive seasons of good rainfall and is expected to see bumper production in the kharif season. The country experienced rainfall above 9% during the year. Reservoir levels are good, which bodes well for upcoming rabi acreage.
- Rice acreage has increased substantially in Andhra Pradesh and Telangana. Sowing in these states has crossed normal levels and is at 112% of normal area, with Rice and Cotton at 138% and 126%, respectively (of normal area).
- The parliament has recently passed three agricultural reform bills, expected to improve price discovery, better storage infrastructure, and provide farmers the opportunity to sell directly to companies.
- The government announced an increase in MSP (minimum selling price) on rabi crops to provide 50%+ returns to farmers. Furthermore, the government announced the procurement of 50mmt of rice (30mmt already procured) in the current marketing season, v/s the previous year's 42mmt.

Industry

- **Fertilizers:** Phosphatic fertilizers saw increased uptake in volumes in 2QFY21, driven by favorable weather and good market conditions. NPK sales improved 20% to 7.3mmt.
- **Phosphoric Acid:** Prices for 3QFY21 have been finalized at USD689/mt; price in 2QFY21 stood at USD625/mt. The complex fertilizer industry player would take a price increase next month.
- The early onset of the monsoons and the resultant advancement in demand led to lower channel inventory.
- **Crop Protection:** Demand for crop protection chemicals was good throughout 2QFY21.

Company-specific

- CRIN saw a marginal decrease in market share to 16% in 2QFY21 (v/s 17% in 2QFY20). Consumption market share, represented by peer sales, stood at 18% in 2QFY21 (v/s 20% in 2QFY20). The share of unique-grade stands at 45% in 2QFY21 (v/s 35% YoY).
- In 2QFY21, the phosphoric fertilizer plant operated at 90% utilization (v/s 65% in 1QFY21 and 86% in 2QFY20).
- The business benefitted from the backward integration of its second phosphoric acid plant at Vizag. Furthermore, the de-bottlenecking of operations at Vizag and Kakinada is progressing as per plan.
- The Crop Protection business posted strong growth in the domestic market in both the B2B and B2C segments, led by a good monsoon and the scaling up of its new product portfolio.
- Subsidy/Non-subsidy revenue share stood at 79%/21% in 2QFY21 (v/s 84%/16% in 2QFY20). EBITDA share from subsidy/non-subsidy revenue stood at 74%/26% in 2QFY21 (v/s 76%/24% in 2QFY20).
- 26% of crop protection revenue came from new molecules in 2QFY21.

Subsidy

- The government initiated subsidy disbursements in July; subsidy disbursements were later shifted to urea companies, leading to the formation of backlog.
- Subsidy outstanding stood at INR28.6b as of Sept'20, INR10b higher v/s this period last year. Subsidy outstanding includes INR21b (claimed and pending at the Dept. of Fertilizer).
- In 2QFY21, subsidy received from the government was lower at INR7.9b (v/s INR10.2b in 2QFY20). Government allocation of the subsidy was higher for urea and within NPK; allocation was higher for imported players.

Others

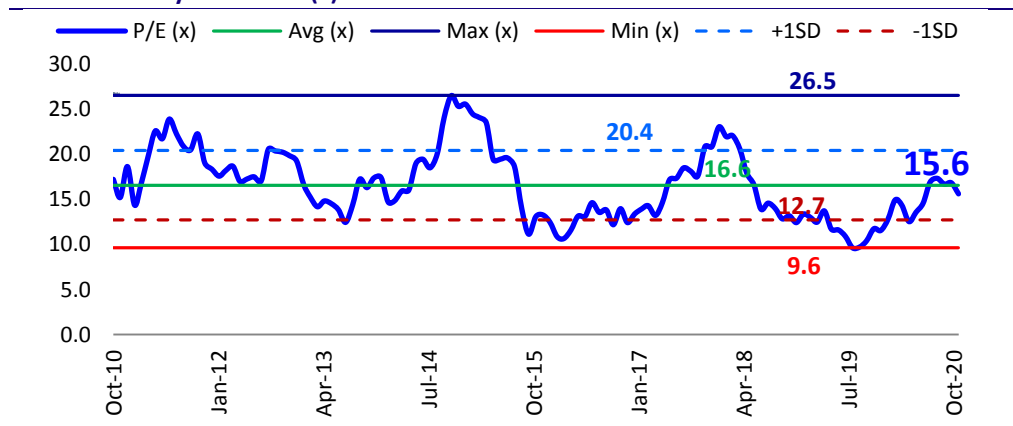
- The Specialized Nutrition and Organic business is gaining traction and poses high growth potential.
- **Revenue:** Nutrients and Other Allied business revenue contribution stood at 86% (v/s 90% in 2QFY20); the balance was contributed by Crop Protection.
- **Capital allocation:** Initially, the company planned to spend INR4.5–5b on capex in FY21; however, due to COVID-19, part of this was deferred to FY22. Hereafter, CRIN plans to maintain an annual capex run-rate of INR4–5b for the next 2–3 years.
- **New molecules:** CRIN has identified 30–35 molecules that have gone or will go off patent soon, and plans to focus on these molecules.

Valuation and view

- Normal southwest monsoon predictions for the current year have augured well for the consumption of fertilizers and agrochemicals, thus providing a good start to FY21. Thus, CRIN reported a strong performance in 1HFY21, (revenue / EBITDA / adj. PAT grew 12%/38%/48% YoY) – on the back of higher volumes in Fertilizer, strong revenue growth in Crop Protection (off a lower base), and operating leverage.

- In the current quarter, the company reported a strong performance (off a high base), primarily owing to expansion in gross margins, leading to a beat on our EBITDA and PAT estimates. Factoring in the same, we increase our earnings estimates for FY21/FY22 by 16%/13%.
- The structural story remains intact with regard to increasing farmers’ awareness about having balanced nutrients in crops. This is likely to help the shift from urea to complex fertilizers, and CRIN thus stands to be a key beneficiary.
- However, the key monitorable in the near future shall be RM prices and acreage movement in rabi.
- We expect a revenue/EBITDA/PAT CAGR of 10%/16%/22% over FY20–22E. We value CRIN at 18x FY22E EPS to arrive at TP of INR981. Maintain **Buy**.

Exhibit 8: One-year fwd PE (x)



Source: MOFSL

Exhibit 9: Change in estimates

Earnings Change (INR m)	Old		New		Change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Revenue	1,42,775	1,53,219	1,45,378	1,58,205	2%	3%
EBITDA	19,989	21,733	21,882	23,267	9%	7%
Adj. PAT	12,700	14,128	14,676	15,964	16%	13%

Source: MOFSL

Financials and valuations

Consolidated – Income Statement						(INR m)	
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Total Income from Operations	1,14,814	1,00,308	1,10,829	1,32,246	1,31,367	1,45,378	1,58,205
Change (%)	1.5	(12.6)	10.5	19.3	(0.7)	10.7	8.8
EBITDA	7,668	9,827	12,564	14,431	17,310	21,882	23,267
Margin (%)	6.7	9.8	11.3	10.9	13.2	15.1	14.7
Depreciation	1,061	1,007	991	1,138	1,580	1,761	2,044
EBIT	6,607	8,820	11,573	13,292	15,730	20,122	21,223
Int. and Finance Charges	2,209	2,238	1,783	2,507	2,353	947	404
Other Income	665	548	597	371	400	429	515
PBT bef. EO Exp.	5,062	7,130	10,387	11,156	13,777	19,604	21,334
EO Expense/(Income)	250	0	0	-239	0	0	0
PBT after EO Exp.	5,312	7,130	10,387	10,917	13,777	19,604	21,334
Current Tax	1,878	2,432	3,539	3,874	3,686	4,974	5,370
Deferred Tax	-161	-78	-71	-153	-551	0	0
Total Tax	1,716	2,353	3,468	3,721	3,135	4,974	5,370
Tax Rate (%)	32.3	33.0	33.4	34.1	22.8	25.4	25.2
Less: MI/Sh of profit/loss of JV & Ass.	22	7	6	-8	-8	-46	0
Reported PAT	3,574	4,770	6,913	7,205	10,650	14,676	15,964
Adjusted PAT	3,324	4,770	6,913	7,443	10,650	14,676	15,964
Change (%)	-18.1	43.5	44.9	7.7	43.1	37.8	8.8
Margin (%)	2.9	4.8	6.2	5.6	8.1	10.1	10.1

Consolidated – Balance Sheet						(INR m)	
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Equity Share Capital	291	292	292	293	293	293	293
Total Reserves	26,048	28,616	28,670	33,291	42,884	52,638	62,976
Net Worth	26,340	28,908	28,963	33,584	43,177	52,931	63,269
Deferred Liabilities	1,679	1,495	1,254	1,123	578	578	578
Total Loans	26,267	22,284	27,284	29,545	16,251	5,251	4,751
Capital Employed	54,286	52,686	57,501	64,252	60,007	58,760	68,599
Gross Block	23,550	24,612	25,625	26,631	31,166	34,666	39,666
Less: Accum. Deprn.	10,250	11,257	12,248	13,387	14,967	16,727	18,772
Net Fixed Assets	13,300	13,355	13,376	13,244	16,200	17,939	20,895
Capital WIP	309	137	375	1,756	654	145	158
Total Investments	4,772	3,885	2,214	2,008	2,113	2,113	2,113
Curr. Assets, Loans&Adv.	73,433	69,071	82,515	88,728	82,517	91,559	1,04,364
Inventory	23,458	17,246	22,625	32,414	26,971	27,881	32,508
Account Receivables	16,419	16,217	15,777	18,244	17,341	19,118	21,672
Govt Subsidies Receivable	23,671	25,570	26,269	23,935	23,162	27,881	30,341
Cash and Bank Balance	1,978	1,678	5,554	1,593	783	2,740	4,674
Loans and Advances	7,908	8,359	12,291	12,542	14,259	13,940	15,170
Curr. Liability & Prov.	37,531	33,764	40,983	41,488	41,481	53,000	58,935
Account Payables	32,329	29,345	33,786	37,625	33,481	39,166	43,550
Other Current Liabilities	4,945	4,129	6,952	3,542	7,643	8,364	9,102
Provisions	257	289	244	321	357	5,470	6,283
Net Current Assets	35,902	35,307	41,532	47,240	41,036	38,560	45,430
Appl. of Funds	54,286	52,686	57,501	64,252	60,007	58,760	68,599

Financials and valuations

Ratios							
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Basic (INR)							
EPS	11.4	16.4	23.6	25.4	36.3	50.1	54.5
Cash EPS	15.1	19.8	27.0	29.3	41.7	56.1	61.5
BV/Share	90.4	99.1	99.1	114.8	147.4	180.7	215.9
DPS	2.5	4.0	6.5	6.5	12.0	14.0	16.0
Payout (%)	24.5	29.4	33.0	31.7	39.6	33.5	35.2
Valuation (x)							
P/E	64.3	44.9	31.0	28.8	20.2	14.6	13.5
Cash P/E	48.7	37.0	27.1	25.0	17.6	13.1	11.9
P/BV	8.1	7.4	7.4	6.4	5.0	4.1	3.4
EV/Sales	2.1	2.3	2.1	1.8	1.8	1.5	1.4
EV/EBITDA	31.0	23.9	18.8	16.8	13.3	9.9	9.2
Dividend Yield (%)	0.3	0.5	0.9	0.9	1.6	1.9	2.2
FCF per share	7.0	30.1	4.8	8.7	51.8	64.1	27.1
Return Ratios (%)							
RoE	13.4	17.3	23.9	23.8	27.7	30.5	27.5
RoCE	10.1	12.1	15.1	15.1	20.3	26.1	25.8
RoIC	10.4	12.5	16.0	16.2	21.1	27.2	27.5
Working Capital Ratios							
Fixed Asset Turnover (x)	5	4	4	5	4	4	4
Asset Turnover (x)	2.1	1.9	1.9	2.1	2.2	2.5	2.3
Inventory (Days)	75	63	75	89	75	70	75
Debtor (Days)	52	59	52	50	48	48	50
Govt Subs Receivable (days)	75	93	87	66	64	70	70
Creditor (Days)	135	150	162	147	135	145	145
Others (Days)							
Working Capital Turnover (Days)	108	122	118	126	112	90	94
Leverage Ratio (x)							
Current Ratio	2.0	2.0	2.0	2.1	2.0	1.7	1.8
Interest Cover Ratio	3	4	6	5	7	21	53
Debt/Equity	1.0	0.8	0.9	0.9	0.4	0.1	0.1

Consolidated – Cash Flow Statement							(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
NP/(Loss) Before Tax and EO Items	5,062	7,130	10,387	11,156	13,777	19,604	21,334
Depreciation	1,061	1,007	991	1,138	1,580	1,761	2,044
Interest & Finance Charges	1,545	1,690	119	1,783	2,353	947	-111
Direct Taxes Paid	-1,716	-2,353	-3,498	-3,709	-3,135	-4,974	-5,370
(Inc)/Dec in WC	-3,039	2,195	-7,540	-4,601	4,044	4,433	-4,936
CF from Operations	2,913	9,669	459	5,768	18,620	21,771	12,961
Others	0	0	2,174	-504	0	0	0
CF from Operating incl EO	2,913	9,669	2,633	5,264	18,620	21,771	12,961
(inc)/dec in FA	-869	-890	-1,230	-2,731	-3,434	-2,991	-5,013
Free Cash Flow	2,044	8,779	1,402	2,534	15,186	18,780	7,948
(Pur)/Sale of Investments	-275	887	0	0	-105	0	0
Others	665	548	2,483	-4,053	1,320	14	515
CF from Investments	-479	546	1,253	-6,784	-2,219	-2,977	-4,498
Issue of Shares	0	0	167	45	1	0	0
Inc/(Dec) in Debt	5,047	-3,983	4,437	2,316	-13,294	-11,000	-500
Interest Paid	-2,209	-2,238	-1,801	-2,511	-2,353	-947	-404
Dividend Paid	-876	-1,403	-2,813	-2,292	-4,219	-4,922	-5,626
Others	-5,517	-2,890	0	0	2,654	32	0
CF from Fin. Activity	-3,556	-10,513	-10	-2,441	-17,211	-16,837	-6,529
Inc/Dec of Cash	-1,121	-299	3,876	-3,961	-810	1,957	1,934
Add: Beginning Balance	3,099	1,977	1,678	5,554	1,593	783	2,740
Closing Balance	1,977	1,678	5,554	1,593	783	2,740	4,674

NOTES

Explanation of Investment Rating	
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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