

**Estimate change**

**TP change**

**Rating change**


Bloomberg	TRID IN
Equity Shares (m)	4,978
M.Cap.(INRb)/(USDb)	328.4 / 4.4
52-Week Range (INR)	71 / 13
1, 6, 12 Rel. Per (%)	17/259/317
12M Avg Val (INR M)	800

**Financials & Valuations (INR b)**

Y/E Mar	2022E	2023E	2024E
Sales	70.7	78.9	87.3
EBITDA	15.9	18.5	22.4
PAT	8.9	11.2	14.4
EBITDA (%)	17.8	19.1	21.2
EPS (INR)	1.8	2.2	2.9
EPS Gr. (%)	170.2	24.9	28.8
BV/Sh. (INR)	8.3	10.3	12.9

**Ratios**

Net D/E	0.4	0.1	0.0
RoE (%)	24.0	24.2	24.9
RoCE (%)	18.0	19.2	21.7
Payout (%)	10.0	10.0	10.0

**Valuations**

P/E (x)	35.7	28.6	22.2
EV/EBITDA (x)	20.9	17.8	14.4
Div Yield (%)	0.3	0.4	0.5
FCF Yield (%)	0.4	3.0	3.5

**Shareholding pattern (%)**

As On	Dec-21	Sep-21	Dec-20
Promoter	72.9	73.0	73.0
DII	1.9	0.9	0.9
FII	4.3	4.1	3.6
Others	20.9	22.0	22.5

**CMP: INR64**
**TP: INR73 (+15%)**
**Buy**
**Demand momentum continues to drive growth**
**Revenue and PAT better than estimated; EBITDA in-line**

- Trident (TRID) reported a strong performance in the Home Textile and Paper segments, driven by robust demand with the easing of pandemic woes. The demand trend in Home Textile is expected to continue, with major export demand bouncing back in FY22E.
- While we maintain our FY22 earnings estimate, on factoring in a) the growth opportunity with the normalization of business operations as well as b) an improving demand outlook, we increase our FY23E/FY24E earnings estimate by 11%/9%. We maintain our **Buy** rating.

**Textile, Paper drive earnings**

- Revenue grew 52% YoY to INR19.6b (est. INR17.4b). The EBITDA margin expanded 230bps to 20.6% despite a 430bps contraction in the gross margin (to 50.8%). EBITDA, adjusted for forex gains, was in line with estimates at INR4.0b (up by 71% YoY). Adjusted PAT grew 2.4x YoY to INR2,346m.
- Revenue from Textile rose 54% YoY (+21% QoQ) to INR17.1b, with the EBIT margin expanding 400bps YoY (-390bps QoQ) to 16.8%. Textile EBIT surged 2.0x YoY (~-2% QoQ) to INR2.9b. Capacity utilization in the Sheeting and Towel businesses stood at 99% and 69%, respectively, in 3QFY22.
- The Home Textile segment sustained the demand momentum in 3QFY22, with the Bath and Bed Linen segments posting revenue growth of 34% and 26% YoY, respectively. Volumes grew 12% YoY to 15,568 MT in the Bath Linen segment, while Bed Linen volumes came in flat YoY at 10.8m meters. Yarn volumes grew 19% YoY to 33,228 MT.
- Revenue from Paper and Chemicals grew 38% YoY (~-2% QoQ) to INR2.5b. The EBIT margin expanded 170bps YoY (-90bps QoQ) to 23.0%. Paper EBIT rose 49% YoY (-5% QoQ) to INR581m. Capacity utilization in the Paper segment stood at 91% (v/s 98% in 2QFY22).

**Highlights from management interaction**

- **Market share:** As per OTEXA data, India's market share in US Cotton Sheets increased to 57% over Jan–Nov'21 (v/s 52% in 2020), whereas China lost ~2% share (v/s the same period last year). In the Terry Towels segment, India's share has risen 200bp to 44% in CY21YTD (v/s 42% in CY20), while China's share has fallen 200bp.
- The following is expected to impact cotton prices going forward: i) the US banning products made from cotton obtained from China's Xinjiang region and ii) this region accounting for one-fifth of the world's cotton production. As a result, other cotton-supplying countries are likely to face added pressures.
- **Debt repayment:** The management has taken several initiatives to pare down its debt, including a) reducing working capital through the retention of cash accruals, b) implementing other measures to reduce the CTC cycle, and c) building up its cash reserves. However, net debt had increased to INR14.9b as of Dec'21 (v/s INR10.5 as of Sep'21) on account of cotton procurement during the cotton procurement season.

**Valuation and view**

- The healthy growth seen in India's Home Textile segment is expected to continue on the back of increased awareness about health and hygiene, easing logistic issues, and market share gains from China in the US market.
- While we maintain our FY22 earnings estimate, on factoring in a) the growth opportunity with the normalization of business operations as well as b) an improving demand outlook, we increase our FY23E/FY24E earnings estimate by 11%/9%.
- We value TRID at 25x FY24E EPS to arrive at our TP of INR73. We maintain our **Buy** rating.

**Standalone quarterly earnings model**

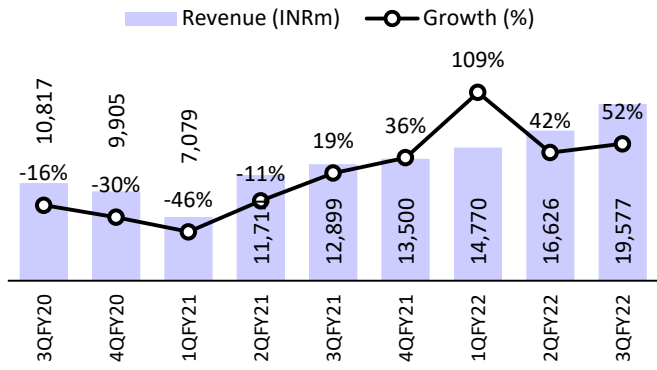
Y/E March	FY21				FY22				FY21	FY22	FY22E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>7,079</b>	<b>11,714</b>	<b>12,899</b>	<b>13,500</b>	<b>14,770</b>	<b>16,626</b>	<b>19,577</b>	<b>19,760</b>	<b>45,193</b>	<b>70,732</b>	<b>17,417</b>	<b>12</b>
YoY Change (%)	-45.8	-11.4	19.3	36.3	108.6	41.9	51.8	46.4	-3.8	56.5	35.0	
Total Expenditure	5,898	9,467	10,545	11,229	11,036	12,651	15,545	15,592	37,139	54,825	13,450	
<b>EBITDA</b>	<b>1,181</b>	<b>2,247</b>	<b>2,355</b>	<b>2,271</b>	<b>3,734</b>	<b>3,975</b>	<b>4,032</b>	<b>4,167</b>	<b>8,054</b>	<b>15,908</b>	<b>3,968</b>	<b>2</b>
Margin (%)	16.7	19.2	18.3	16.8	25.3	23.9	20.6	21.1	17.8	22.5	22.8	
Depreciation	824	831	830	880	874	867	775	780	3,365	3,297	900	
Interest	231	123	132	234	250	199	224	230	720	903	230	
Other Income	54	32	50	26	29	101	35	32	162	196	55	
<b>PBT before EO expense</b>	<b>181</b>	<b>1,325</b>	<b>1,443</b>	<b>1,184</b>	<b>2,638</b>	<b>3,010</b>	<b>3,067</b>	<b>3,189</b>	<b>4,132</b>	<b>11,904</b>	<b>2,893</b>	
Extra-Ord. expense	0	0	-570	304	0	0	252	0	-266	252	0	
Forex (gain)/loss	49	9	-27	-85	-62	-54	3	0	-54	-113	0	
<b>PBT</b>	<b>132</b>	<b>1,316</b>	<b>2,040</b>	<b>964</b>	<b>2,700</b>	<b>3,063</b>	<b>2,813</b>	<b>3,189</b>	<b>4,451</b>	<b>11,765</b>	<b>2,893</b>	
Tax	31	313	443	208	665	775	721	803	994	2,965	728	
Rate (%)	23.5	23.8	21.7	21.5	24.6	25.3	25.6	25.2	22.3	25.2	25.2	
MI and P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>101</b>	<b>1,002</b>	<b>1,598</b>	<b>756</b>	<b>2,035</b>	<b>2,288</b>	<b>2,091</b>	<b>2,386</b>	<b>3,457</b>	<b>8,800</b>	<b>2,165</b>	<b>-3</b>
<b>Adj. PAT</b>	<b>150</b>	<b>1,012</b>	<b>1,000</b>	<b>976</b>	<b>1,973</b>	<b>2,234</b>	<b>2,346</b>	<b>2,386</b>	<b>3,138</b>	<b>8,940</b>	<b>2,165</b>	<b>8</b>
YoY Change (%)	-87.7	-24.8	163.5	240.8	1,219.7	120.8	134.5	144.5	-2.7	184.9	116.4	
Margin (%)	2.1	8.6	7.8	7.2	13.4	13.4	12.0	12.1	6.9	12.6	12.4	

**Key performance indicators**

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Segment Revenue Growth (%)</b>										
<b>Textile</b>	<b>-44.6</b>	<b>-9.4</b>	<b>30.4</b>	<b>45.7</b>	<b>118.9</b>	<b>42.0</b>	<b>54.0</b>	<b>52.0</b>	<b>1.0</b>	<b>60.2</b>
<b>Paper</b>	<b>-50.7</b>	<b>-20.6</b>	<b>-21.6</b>	<b>2.1</b>	<b>59.4</b>	<b>41.5</b>	<b>38.1</b>	<b>17.0</b>	<b>-23.7</b>	<b>36.1</b>
<b>Cost Break-up</b>										
RM Cost (as a percentage of sales)	44.7	43.5	44.9	45.9	40.5	44.5	49.2	48.8	44.8	46.2
Staff Cost (as a percentage of sales)	13.9	12.6	12.7	12.5	11.8	10.0	9.0	9.1	12.8	9.8
Other Cost (as a percentage of sales)	24.7	24.7	24.2	24.8	22.4	21.6	21.2	21.0	24.6	21.5
Gross Margin (%)	55.3	56.5	55.1	54.1	59.5	55.5	50.8	51.2	55.2	53.8
EBITDA Margin (%)	16.7	19.2	18.3	16.8	25.3	23.9	20.6	21.1	17.8	22.5
EBIT Margin (%)	5.0	12.1	11.8	10.3	19.4	18.7	16.6	17.1	10.4	17.8

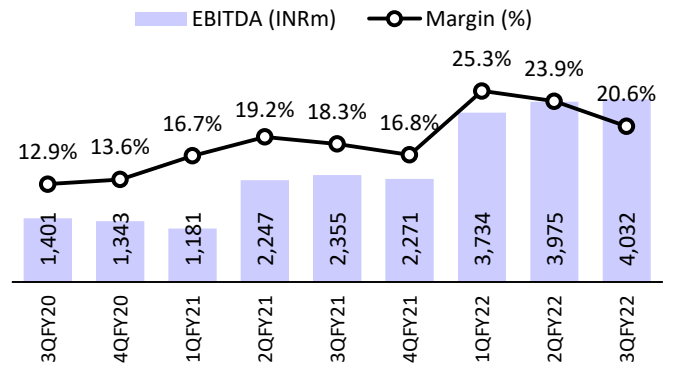
Key exhibits

Exhibit 1: Revenue trend



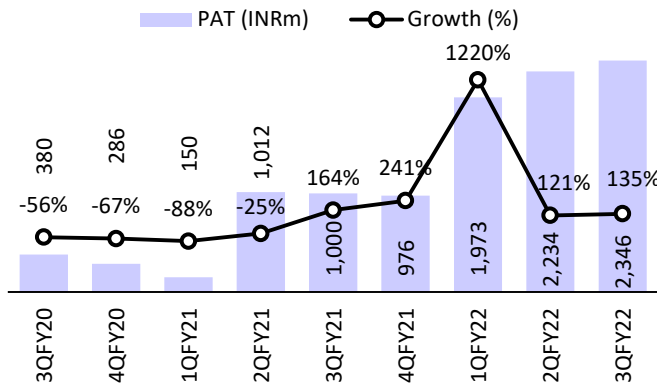
Source: Company, MOFSL

Exhibit 2: EBITDA margin trend



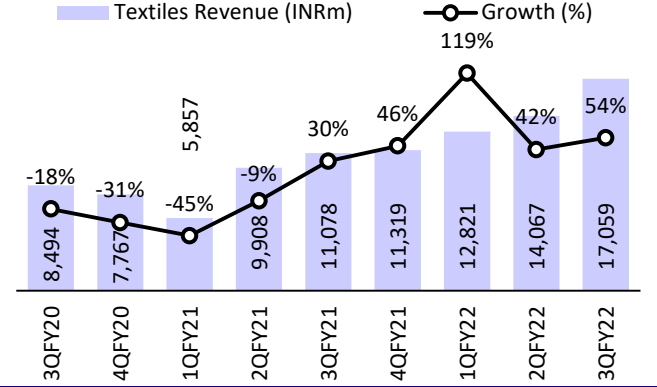
Source: Company, MOFSL

Exhibit 3: Adjusted PAT trend



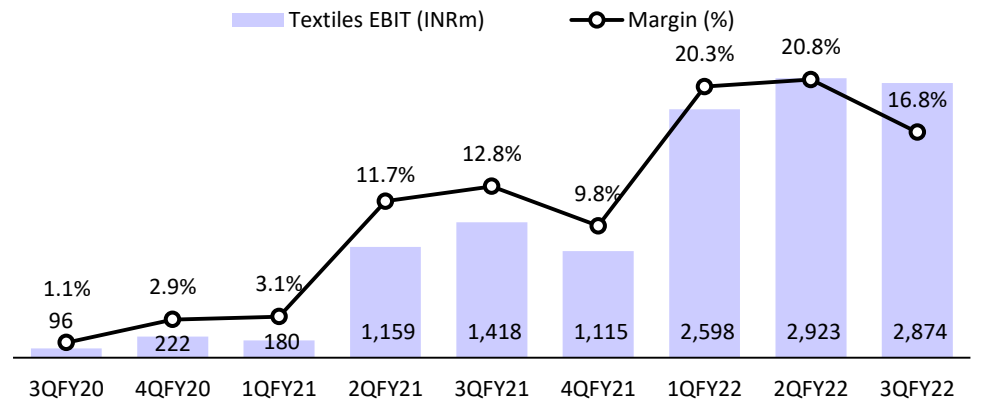
Source: Company, MOFSL

Exhibit 4: Textile – revenue trend



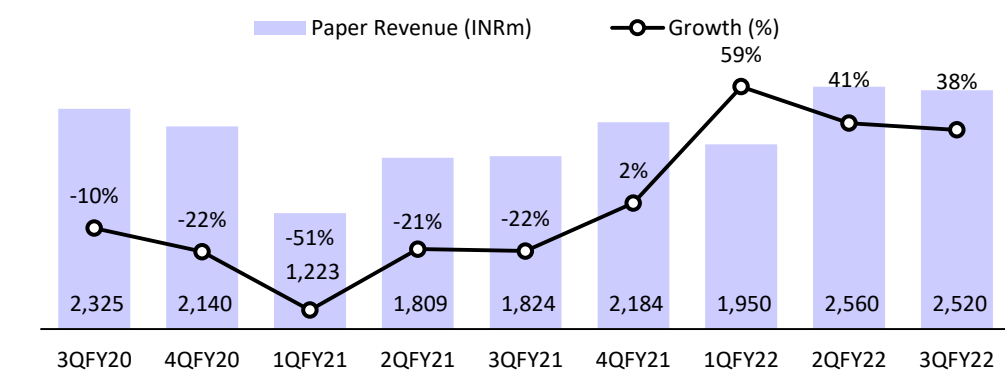
Source: Company, MOFSL

Exhibit 5: Textile – EBIT and EBIT margin trend



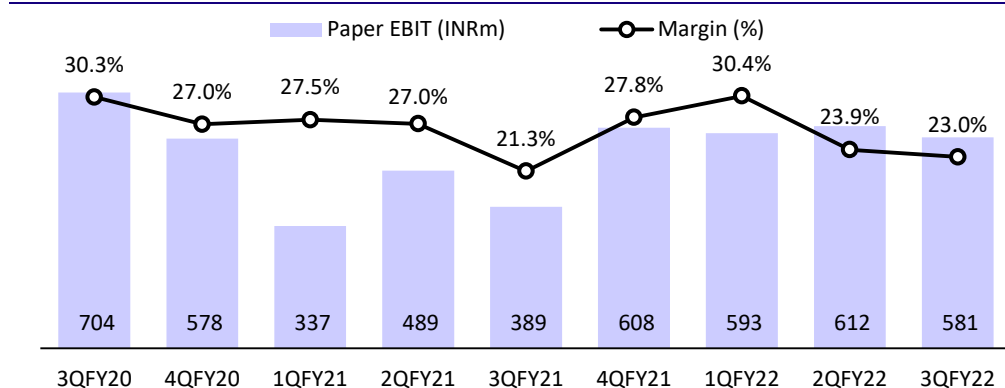
Source: Company, MOFSL

Exhibit 6: Paper – revenue trend



Source: Company, MOFSL

Exhibit 7: Paper – EBIT and EBIT margin trend



Source: Company, MOFSL



## Key takeaways from management interaction

### Textile and Apparel

- The industry was significantly impacted by the first and second COVID waves. However, it has rebounded well in FY22 given the revival of consumer demand in the aftermath of the two waves. The sector has shown positive signs with the support of various government initiatives and robust demand globally.
- The primary challenge that may impact stability is the uncertainty regarding another potential COVID wave. This, coupled with the shortage of containers, is leading to higher freight costs. The industry is expected to do well globally in the future.

### Home Textile

- The US and Europe are major importers of home textile products globally. The industry saw a rebound in sales due to pent-up demand. This has led to strong demand in 3Q, and the momentum is expected to continue in 4QFY22E as well. Increased global awareness about health and hygiene and emphasis on working from home are the growth drivers for home textile products – as home décor is the new 'global favorite.'
- Huge demand has resulted in excessive pressure on logistics. Exporters are facing a shortage of containers for shipping products, which has led to a spike in logistic costs.

- The sector is expected to perform well going forward, driven by government support in the form of an extension of the RoSCTL benefits up to Mar'24. This is expected to provide stability and ensure the competitiveness of Indian products globally.
- As per OTEXA data, India's market share in US Cotton Sheets increased to 57% over Jan–Nov'21 (v/s 52% in 2020), whereas China lost ~2% share (v/s the same period last year). In the Terry Towels segment, India's share has risen 200bp to 44% in CY21YTD (v/s 42% in CY20), while China's share has fallen 200bp.
- India's textile and apparel exports to the US, its single largest market, were up 55% in the first seven months of 2021. The share of India's textile and apparel exports in mercantile shipments stood at 11% over 2019–20.

### Paper

- Demand was affected by the closure of schools and colleges due to the COVID-19 outbreak. However, with the opening up of schools and colleges, demand is expected to rebound in 4QFY22.
- Demand for writing and printing paper is largely dependent on the Education sector, which is recovering and expected to normalize further in 4QFY22.
- Demand and supply have taken a hit in recent times. Global consumption is currently low. However, paper volumes as well as realization are expected to improve in the coming quarters.

### Cotton

- The Cotton Association of India (CAI) has revised the estimated production of the cotton crop for 2021–2022 by 7 lakh bales to 360 lakh bales in Jan'22.
- The CAI Crop Committee estimated the total cotton supply until the end of the 2021–22 season (i.e., up to 30<sup>th</sup> September 2022) at 445 lakh bales.
- Domestic consumption for the 2021–22 crop year is estimated by the CAI to be at the same level as last year (i.e., 335 lakh bales).
- Exports estimated by the CAI for the cotton season 2021–22 stand at 48 lakh bales, against 78 lakh bales estimated for 2020–21. Cotton exports for Oct'2021 and Nov'21 were collectively recorded at 7 lakh bales (v/s 12 lakh bales last year).
- The following is expected to impact cotton prices going forward: i) the US banning products made from cotton obtained from China's Xinjiang region and ii) this region accounting for one-fifth of the world's cotton production. As a result, other cotton-supplying countries are likely to face added pressures.
- We expect cotton prices to stay range-bound, with the positive bias to remain high for this crop season, considering the supply shortage.

### Other highlights

- **Capital requirement:** Cash and cash equivalents are expected to meet the company's short-term obligations and assist in working capital and capex plans. The management intends to raise capital through debt and equity components.
- **Growth drivers:** The domestic Textile and Apparel industry is in a sweet spot to benefit from 1) a competitive advantage in raw materials (better traceability of cotton); 2) an integrated supply chain, resulting in a reduction in the supply lead time; 3) increasing market share in the global market, specifically in the US; and

4) the government reinstating the RoSCTL, RoDTEP, and mega textile park schemes.

- **Debt repayment:** The management has undertaken several initiatives to reduce its debt commitments, including reducing working capital through the retention of cash accruals, implementing other measures to reduce the CTC cycle, and building up its cash reserves. However, net debt had increased to INR14.9b as of Dec'21 (v/s INR10.5 as of Sep'21) on account of cotton procurement during the cotton procurement season.

## Valuation and view

- The US and Europe are major importers of home textile products globally. The industry saw a rebound in sales due to pent-up demand. This has led to strong demand in 3Q, and the momentum is expected to continue in 4QFY22E as well. Increased global awareness about health and hygiene and emphasis on working from home are the growth drivers for home textile products – as home décor is the new 'global favorite.'
- The healthy growth seen in India's Home Textile segment is expected to continue on the back of increased awareness about health and hygiene, easing logistic issues, and market share gains from China in the US market.
- While we maintain our FY22 earnings estimate, on factoring in a) the growth opportunity with the normalization of business operations as well as b) an improving demand outlook, we increase our FY23E/FY24E earnings estimate by 11%/9%.
- We value TRID at 25x FY24E EPS to arrive at our TP of INR73. We maintain our **Buy** rating.

### Exhibit 8: Change in estimates

Earnings change (INR m)	Old			New			Change		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	66,149	70,825	80,271	70,732	78,852	87,299	7%	11%	9%
EBITDA	15,857	17,324	21,207	15,908	18,479	22,397	0%	7%	6%
Adjusted PAT	8,644	10,073	13,137	8,940	11,164	14,375	3%	11%	9%

Source: MOFSL

## Financials and valuations

Consolidated Income Statement							(INR m)		
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Total Income from Operations</b>	<b>36,657</b>	<b>46,252</b>	<b>45,594</b>	<b>52,486</b>	<b>47,277</b>	<b>45,306</b>	<b>70,732</b>	<b>78,852</b>	<b>87,299</b>
Change (%)	-2.4	26.2	-1.4	15.1	-9.9	-4.2	56.1	11.5	10.7
<b>Total Expenditure</b>	<b>29,359</b>	<b>37,397</b>	<b>37,402</b>	<b>41,931</b>	<b>38,979</b>	<b>37,134</b>	<b>54,825</b>	<b>60,373</b>	<b>64,902</b>
As a percentage of Sales	80.1	80.9	82.0	79.9	82.4	82.0	77.5	76.6	74.3
<b>EBITDA</b>	<b>7,297</b>	<b>8,855</b>	<b>8,192</b>	<b>10,555</b>	<b>8,298</b>	<b>8,172</b>	<b>15,908</b>	<b>18,479</b>	<b>22,397</b>
Margin (%)	19.9	19.1	18.0	20.1	17.6	18.0	22.5	23.4	25.7
Depreciation	3,366	4,125	4,041	3,640	3,337	3,369	3,297	3,454	3,854
<b>EBIT</b>	<b>3,931</b>	<b>4,730</b>	<b>4,151</b>	<b>6,915</b>	<b>4,961</b>	<b>4,804</b>	<b>12,611</b>	<b>15,025</b>	<b>18,543</b>
Int. and Finance Charges	1,452	1,410	1,182	1,185	1,109	721	903	657	554
Other Income	334	1,062	621	434	202	161	196	552	1,222
<b>PBT bef. EO Exp.</b>	<b>2,813</b>	<b>4,382</b>	<b>3,590</b>	<b>6,165</b>	<b>4,055</b>	<b>4,244</b>	<b>11,904</b>	<b>14,919</b>	<b>19,211</b>
EO Items	0	0	-321	666	-192	265	139	0	0
<b>PBT after EO Exp.</b>	<b>2,813</b>	<b>4,382</b>	<b>3,911</b>	<b>5,499</b>	<b>4,246</b>	<b>3,978</b>	<b>11,765</b>	<b>14,919</b>	<b>19,211</b>
Total Tax	392	1,016	1,256	1,784	813	941	2,965	3,755	4,835
Tax Rate (%)	13.9	23.2	32.1	32.4	19.2	23.6	25.2	25.2	25.2
Share of profit/(loss) of associates	0	7	6	2	-36	6	0	0	0
<b>Reported PAT</b>	<b>2,421</b>	<b>3,372</b>	<b>2,661</b>	<b>3,718</b>	<b>3,397</b>	<b>3,044</b>	<b>8,800</b>	<b>11,164</b>	<b>14,375</b>
<b>Adjusted PAT</b>	<b>2,421</b>	<b>3,372</b>	<b>2,341</b>	<b>4,383</b>	<b>3,205</b>	<b>3,309</b>	<b>8,940</b>	<b>11,164</b>	<b>14,375</b>
Change (%)	105.4	39.3	-30.6	87.3	-26.9	3.2	170.2	24.9	28.8
Margin (%)	6.6	7.3	5.1	8.4	6.8	7.3	12.6	14.2	16.5

Consolidated Balance Sheet							(INR m)		
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Equity Share Capital	5,094	4,979	4,978	4,981	4,979	5,096	5,096	5,096	5,096
Total Reserves	19,267	22,590	24,436	24,749	25,235	28,187	36,108	46,155	59,093
<b>Net Worth</b>	<b>24,361</b>	<b>27,569</b>	<b>29,415</b>	<b>29,730</b>	<b>30,214</b>	<b>33,283</b>	<b>41,204</b>	<b>51,251</b>	<b>64,189</b>
Total Loans	34,427	28,498	28,192	24,360	19,518	15,355	16,856	11,856	8,856
Deferred Tax Liabilities	1,582	2,952	3,401	4,079	3,366	3,203	3,203	3,203	3,203
<b>Capital Employed</b>	<b>60,369</b>	<b>59,018</b>	<b>61,007</b>	<b>58,169</b>	<b>53,098</b>	<b>51,842</b>	<b>61,263</b>	<b>66,311</b>	<b>76,249</b>
Gross Block	70,262	51,085	52,484	52,301	54,464	58,937	61,437	61,937	75,707
Less: Accum. Deprn.	23,331	7,637	11,784	15,135	18,345	21,567	24,864	28,318	32,172
<b>Net Fixed Assets</b>	<b>46,930</b>	<b>43,448</b>	<b>40,700</b>	<b>37,166</b>	<b>36,119</b>	<b>37,370</b>	<b>36,574</b>	<b>33,619</b>	<b>43,535</b>
Capital WIP	615	1,232	1,766	1,318	1,408	571	3,514	8,333	571
Current Investments	1	49	109	669	0	0	0	3,500	3,500
<b>Total Investments</b>	<b>723</b>	<b>1,054</b>	<b>1,152</b>	<b>1,982</b>	<b>1,276</b>	<b>14</b>	<b>14</b>	<b>3,514</b>	<b>7,014</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>17,025</b>	<b>16,480</b>	<b>20,167</b>	<b>21,095</b>	<b>18,960</b>	<b>19,761</b>	<b>29,602</b>	<b>29,785</b>	<b>34,853</b>
Inventory	9,065	7,747	9,226	10,121	9,164	10,230	14,922	16,202	17,460
Account Receivables	2,513	3,751	4,604	6,577	2,754	4,487	6,783	6,913	7,175
Cash and Bank Balance	819	1,326	1,666	257	3,379	1,186	2,240	1,545	4,107
Loans and Advances	4,627	3,656	4,671	4,141	3,664	3,859	5,659	5,125	6,111
<b>Curr. Liability and Prov.</b>	<b>4,924</b>	<b>3,196</b>	<b>2,777</b>	<b>3,392</b>	<b>4,666</b>	<b>5,875</b>	<b>8,441</b>	<b>8,941</b>	<b>9,725</b>
Account Payables	2,237	1,730	1,690	1,866	2,023	2,985	3,937	3,920	4,166
Other Current Liabilities	2,539	1,259	947	1,333	2,430	2,667	4,244	4,731	5,238
Provisions	148	207	139	193	213	223	260	290	321
<b>Net Current Assets</b>	<b>12,101</b>	<b>13,284</b>	<b>17,390</b>	<b>17,703</b>	<b>14,294</b>	<b>13,886</b>	<b>21,162</b>	<b>20,845</b>	<b>25,128</b>
<b>Appl. of Funds</b>	<b>60,369</b>	<b>59,018</b>	<b>61,007</b>	<b>58,169</b>	<b>53,098</b>	<b>51,842</b>	<b>61,263</b>	<b>66,311</b>	<b>76,249</b>



## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>0.5</b>	<b>0.7</b>	<b>0.5</b>	<b>0.9</b>	<b>0.6</b>	<b>0.7</b>	<b>1.8</b>	<b>2.2</b>	<b>2.9</b>
Cash EPS	1.2	1.5	1.3	1.6	1.3	1.3	2.5	2.9	3.7
BV/Share	4.9	5.5	5.9	6.0	6.1	6.7	8.3	10.3	12.9
DPS	0.1	0.2	0.1	0.0	0.0	0.0	0.2	0.2	0.3
Payout (%)	22.6	27.1	33.8	4.8	6.4	5.9	10.0	10.0	10.0
<b>Valuation (x)</b>									
P/E	131.7	94.5	136.2	72.7	99.5	96.3	35.7	28.6	22.2
Cash P/E	55.1	42.5	49.9	39.7	48.7	47.7	26.0	21.8	17.5
P/BV	13.1	11.6	10.8	10.7	10.5	9.6	7.7	6.2	5.0
EV/Sales	9.6	7.5	7.6	6.5	7.1	7.3	4.7	4.2	3.7
EV/EBITDA	48.3	39.1	42.1	32.5	40.3	40.7	20.9	17.8	14.4
Dividend Yield (%)	0.1	0.2	0.2	0.0	0.1	0.1	0.3	0.4	0.5
FCF per share	-1.2	1.7	0.5	1.5	2.0	0.2	0.3	1.9	2.2
<b>Return Ratios (%)</b>									
RoE	10.4	13.0	8.2	14.8	10.7	10.4	24.0	24.2	24.9
RoCE	6.8	7.7	5.7	8.9	8.0	7.7	18.0	19.2	21.7
RoIC	6.4	6.4	5.0	8.4	7.9	7.6	17.9	20.7	23.6
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	0.5	0.9	0.9	1.0	0.9	0.8	1.2	1.3	1.2
Asset Turnover (x)	0.6	0.8	0.7	0.9	0.9	0.9	1.2	1.2	1.1
Inventory (Days)	191	127	148	152	156	185	167	165	168
Debtor (Days)	25	30	37	46	21	36	35	32	30
Creditor (Days)	47	28	27	28	34	54	44	40	40
<b>Leverage Ratio (x)</b>									
Current Ratio	3.5	5.2	7.3	6.2	4.1	3.4	3.5	3.3	3.6
Interest Coverage Ratio	2.7	3.4	3.5	5.8	4.5	6.7	14.0	22.9	33.5
Net Debt/Equity	1.4	1.0	0.9	0.8	0.5	0.4	0.4	0.1	0.0

### Consolidated Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
OP/(Loss) before Tax	2,766	4,388	3,590	5,499	4,246	3,978	11,765	14,919	19,211
Depreciation	3,376	4,125	4,041	3,640	3,337	3,369	3,297	3,454	3,854
Interest and Finance Charges	1,230	1,300	1,095	1,185	1,109	721	903	657	554
Direct Taxes Paid	-600	-860	-909	-1,784	-813	-941	-2,965	-3,755	-4,835
(Inc.)/Dec. in WC	-1,424	1,243	-3,017	-1,721	4,258	-2,546	-6,222	-378	-1,721
<b>CF from Operations</b>	<b>5,348</b>	<b>10,196</b>	<b>4,799</b>	<b>6,819</b>	<b>12,137</b>	<b>4,581</b>	<b>6,777</b>	<b>14,898</b>	<b>17,062</b>
Others	-60	-200	-364	0	0	0	0	0	0
<b>CF from Operations incl. EO</b>	<b>5,288</b>	<b>9,996</b>	<b>4,435</b>	<b>6,819</b>	<b>12,137</b>	<b>4,581</b>	<b>6,777</b>	<b>14,898</b>	<b>17,062</b>
(Inc.)/Dec. in FA	-11,214	-1,467	-2,019	630	-2,254	-3,636	-5,443	-5,320	-6,008
<b>Free Cash Flow</b>	<b>-5,926</b>	<b>8,529</b>	<b>2,416</b>	<b>7,449</b>	<b>9,883</b>	<b>945</b>	<b>1,335</b>	<b>9,579</b>	<b>11,054</b>
(Pur.)/Sale of Investments	-250	-193	-10	-831	706	1,262	0	-3,500	-3,500
Others	132	-15	150	0	1,248	971	0	0	0
<b>CF from Investments</b>	<b>-11,332</b>	<b>-1,675</b>	<b>-1,879</b>	<b>-200</b>	<b>-300</b>	<b>-1,403</b>	<b>-5,443</b>	<b>-8,820</b>	<b>-9,508</b>
Issue of Shares	611	87	0	3	-2	117	0	0	0
Inc./(Dec.) in Debt	7,809	-5,858	-537	-3,832	-4,842	-4,163	1,501	-5,000	-3,000
Interest Paid	-1,367	-1,398	-1,224	-1,185	-1,109	-721	-903	-657	-554
Dividend Paid	-360	-915	-920	-180	-218	-179	-880	-1,116	-1,438
Others	0	270	465	-2,833	-2,545	-425	0	0	0
<b>CF from Fin. Activity</b>	<b>6,694</b>	<b>-7,814</b>	<b>-2,217</b>	<b>-8,027</b>	<b>-8,715</b>	<b>-5,372</b>	<b>-281</b>	<b>-6,774</b>	<b>-4,992</b>
<b>Inc./Dec. in Cash</b>	<b>649</b>	<b>507</b>	<b>339</b>	<b>-1,408</b>	<b>3,122</b>	<b>-2,193</b>	<b>1,054</b>	<b>-695</b>	<b>2,563</b>
Opening Balance	170	819	1,326	1,666	257	3,379	1,186	2,240	1,545
<b>Closing Balance</b>	<b>819</b>	<b>1,326</b>	<b>1,666</b>	<b>257</b>	<b>3,379</b>	<b>1,186</b>	<b>2,240</b>	<b>1,545</b>	<b>4,107</b>



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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