

PI Industries

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	PI IN
Equity Shares (m)	152
M.Cap.(INRb)/(USD\$)	398.7 / 5.1
52-Week Range (INR)	3533 / 2334
1, 6, 12 Rel. Per (%)	-5/1/-12
12M Avg Val (INR M)	1060

Financials & Valuations (INR b)

Y/E Mar	2022	2023E	2024E
Sales	53.0	62.4	72.7
EBITDA	11.4	14.4	17.3
PAT	8.4	10.7	13.1
EBITDA (%)	21.6	23.0	23.9
EPS (INR)	55.5	70.7	86.3
EPS Gr. (%)	14.3	27.4	22.1
BV/Sh. (INR)	403	467	548

Ratios

Net D/E	(0.3)	(0.4)	(0.4)
RoE (%)	14.7	16.3	17.0
RoCE (%)	14.1	15.7	16.5
Payout (%)	9.0	8.5	6.9

Valuations

P/E (x)	47.3	37.2	30.4
EV/EBITDA (x)	34.0	26.6	21.6
Div Yield (%)	0.2	0.2	0.2
FCF Yield (%)	0.5	2.1	2.2

Shareholding pattern (%)

As on	Mar-22	Dec-21	Mar-21
Promoter	46.7	46.7	46.7
DII	25.3	23.0	21.3
FII	16.5	18.9	19.4
Others	11.5	11.4	12.6

Note: FII includes depository receipts

CMP: INR2628 TP: INR3280 (+25%) Buy

Domestic business resilient, drivers in place for future

Operating performance better than our estimates

- PI Industries (PI)'s consolidated revenue growth was primarily driven by the domestic Crop Protection segment (up 47% YoY) in 4QFY22 with CSM segment rising 11% YoY. EBITDA margin expanded 290bp YoY to 21.9% with gross margin expanding 200bp YoY.
- The management remains confident about delivering 18% - 20% revenue growth in FY23E with continued improvement in margins and returns. The FY23E growth momentum will be propelled by better demand for Agrochemicals in domestic business owing to robust commodity prices and normal monsoon predictions.
- We retain our earnings estimates for FY23/FY24 and maintain our **BUY** rating on the stock.

Higher volume as well as value growth drives overall sales growth

- PI's revenue of INR14b (est. INR13.3b) was up 17% YoY in 4QFY22 driven by price increase of ~7% and the balance from volume growth. EBITDA stood at INR3.1b (est. INR2.8b), up 34% YoY. EBITDA margin expanded 290bp YoY to 21.9% (est. 21.0%); gross margin was at 44.1% (+200bp YoY); employee cost was 8.2% of sales (-100bp YoY) and other expenses stood flat YoY at 14.0% of sales. Adj. PAT was up 14% YoY to INR2.0b (est. INR2.2b), lower than our estimate, due to the previous year's tax of INR103m levied in 4QFY22.
- The rising input cost trends continued, however, cost pass-through was undertaken both in CSM exports and Domestic during 3QFY22 and 4QFY22.
- The CSM business rose 11% YoY to INR11.1b in 4Q, led by commercialization of new molecules and capacity build-up over this fiscal.
- Revenue from domestic Agrochemicals business grew 47% YoY to INR2.8b in 4Q, driven primarily by scale-up in Wheat herbicide during the quarter.
- FY22 revenue/EBITDA/Adj. PAT grew 16%/13%/14%, respectively. Net cash (including liquid investments) remained constant at INR20.0b in F22 compared to FY21. CFO for FY22 came in at INR5.3b v/s INR7.3b in FY21. WC turnover days shot up to 116 days in FY22 from 84 in FY21, primarily due to inventory levels surging 35% YoY in order to avert supply chain disruptions and meet customer supply schedules. This led to stress on the WC cycle in the quarter.

Highlights from the management interaction

- New products:** PI aims to commercialize seven new molecules under the CSM business (three non-agrochemical and four agrochemical molecules) and five new products under the domestic business in FY23E. Two new process innovations would be commercialized in FY23E.
- New CSM molecules:** PI has commercialized nine new molecules in FY22 with >40 products at different development stages. The R&D pipeline remains strong with >20% non-agrochemical products.

- CSM order book remained robust at ~INR1.4b, exhibiting a good visibility for the future. PI acquired eight new customers during the current fiscal and has received 36 new enquiries with 35% of them being from the non-agrochemical space.
- **Capex:** The management has guided for a capex of INR5b in FY23E and INR3.5-4b in FY24E. The capex would be divided across use cases for expansion, maintenance, process efficiencies and R&D.

Valuation and view

- PI has levers in place to sustain the near-term growth momentum, led by: a) a ramp-up in operations at two MPPs that were commenced in FY22, b) sustained growth momentum in the CSM business due to a strong (USD1.4b) order book, rising pace of commercialization of new molecules, and a sales ramp-up in existing molecules, and c) product launches in the domestic market (four new launches in FY22 and five new launches planned in FY23E), thus providing earnings visibility.
- We expect a revenue/EBITDA/PAT CAGR of 17%/23%/25% over FY22–24.
- We maintain our earnings estimates for FY23/FY24. We value the stock at 38x EPS (in line with its three-year avg. one-year forward P/E) to arrive at our TP of INR3,280. Maintain **BUY**.

Quarterly Earning Model

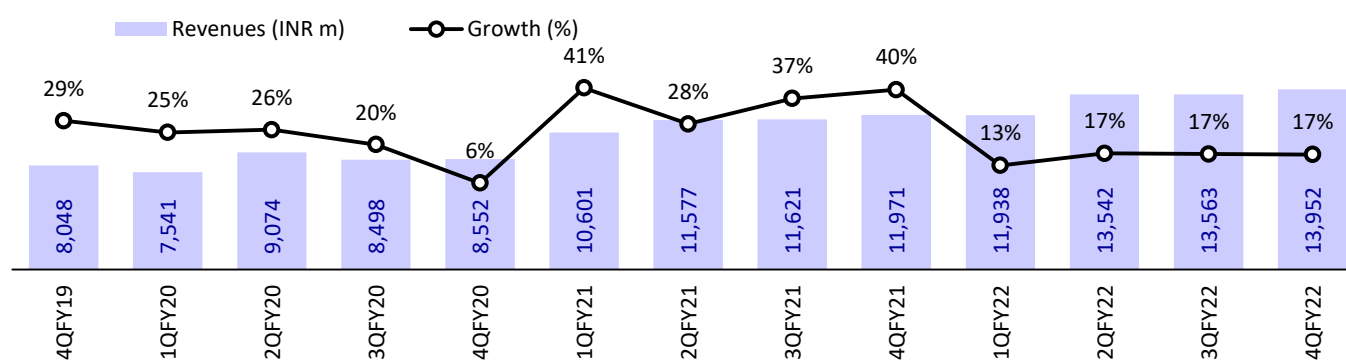
Y/E March	(INR M)											
	FY21				FY22				FY21	FY22	FY22	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY22	(%)
Net Sales	10,601	11,577	11,621	11,971	11,938	13,542	13,563	13,952	45,770	52,995	13,268	5
YoY Change (%)	40.6	27.6	36.7	40.0	12.6	17.0	16.7	16.5	36.0	15.8	10.8	
Total Expenditure	8,309	8,776	8,866	9,697	9,449	10,622	10,598	10,902	35,648	41,571	10,481	
EBITDA	2,292	2,801	2,755	2,274	2,489	2,920	2,965	3,050	10,122	11,424	2,787	9
Margins (%)	21.6	24.2	23.7	19.0	20.8	21.6	21.9	21.9	22.1	21.6	21.0	
Depreciation	427	433	440	448	487	492	503	536	1,748	2,018	515	
Interest	96	76	66	44	34	34	33	27	282	128	28	
Other Income	82	336	389	442	277	277	260	200	1,249	1,014	445	
PBT before EO expense	1,851	2,628	2,638	2,224	2,245	2,671	2,689	2,687	9,341	10,292	2,689	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	1,851	2,628	2,638	2,224	2,245	2,671	2,689	2,687	9,341	10,292	2,689	
Tax	444	451	682	425	405	370	466	649	2,002	1,890	471	
Rate (%)	24.0	17.2	25.9	19.1	18.0	13.9	17.3	24.2	21.4	18.4	17.5	
Minority Interest & Profit/Loss of Asso. Cos.	-48	1	2	1	-32	5	-3	-6	-44	-36	1	
Reported PAT	1,455	2,176	1,954	1,798	1,872	2,296	2,226	2,044	7,383	8,438	2,217	
Adj PAT	1,455	2,176	1,954	1,798	1,872	2,296	2,226	2,044	7,383	8,438	2,217	-8
YoY Change (%)	43.2	76.6	61.4	62.4	28.7	5.5	13.9	13.7	61.7	14.3	13.9	
Margins (%)	13.7	18.8	16.8	15.0	15.7	17.0	16.4	14.7	16.1	15.9	16.7	

Key Performance Indicators

Y/E March	FY21				FY22				FY21	FY22
Particulars	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
CSM Revenue (INRm)	6,148	7,990	9,020	10,060	8,070	9,930	10,754	11,143	33,220	39,897
% Change	22.7	25.0	40.1	47.3	31.3	24.3	19.2	10.8	34.7	20.1
Domestic Formulation (INRm)	4,453	3,590	2,601	1,910	3,870	3,610	2,809	2,809	12,550	13,098
% Change	76.0	34.0	26.3	11.0	-13.1	0.6	8.0	47.0	39.4	4.4
Cost Break-up										
RM Cost (% of sales)	58.0	55.9	53.1	57.9	56.2	55.0	53.6	55.9	56.2	55.2
Staff Cost (% of sales)	9.3	8.6	9.3	9.2	10.0	9.0	9.2	8.2	9.1	9.1
Other Cost (% of sales)	11.1	11.3	13.9	14.0	12.9	14.5	15.3	14.0	12.6	14.2
Gross Margins (%)	42.0	44.1	46.9	42.1	43.8	45.0	46.4	44.1	43.8	44.8
EBITDA Margins (%)	21.6	24.2	23.7	19.0	20.8	21.6	21.9	21.9	22.1	21.6
EBIT Margins (%)	17.6	20.5	19.9	15.3	16.8	17.9	18.2	18.0	18.3	17.7

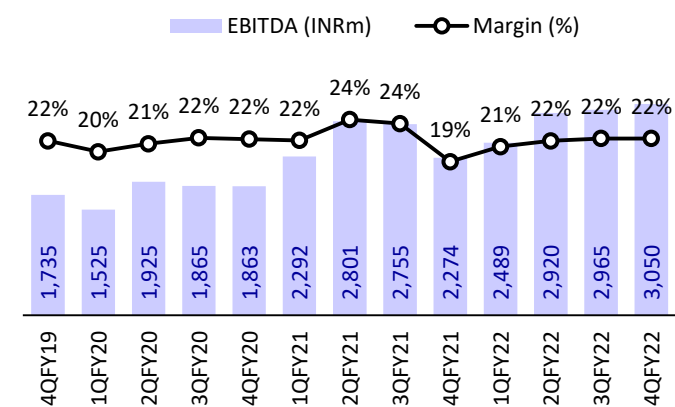
Key exhibits

Exhibit 1: Revenue growth trend



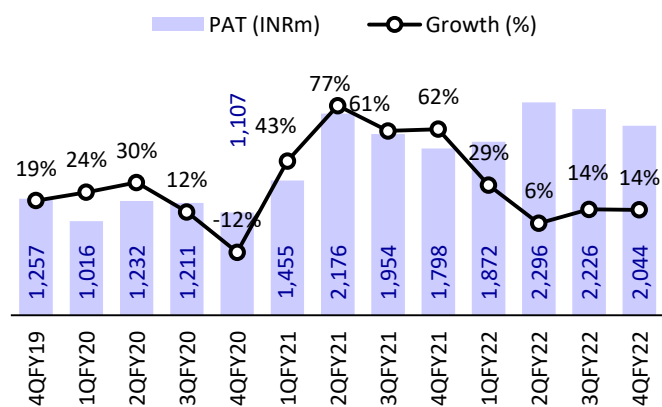
Source: Company, MOFSL

Exhibit 2: EBITDA trend



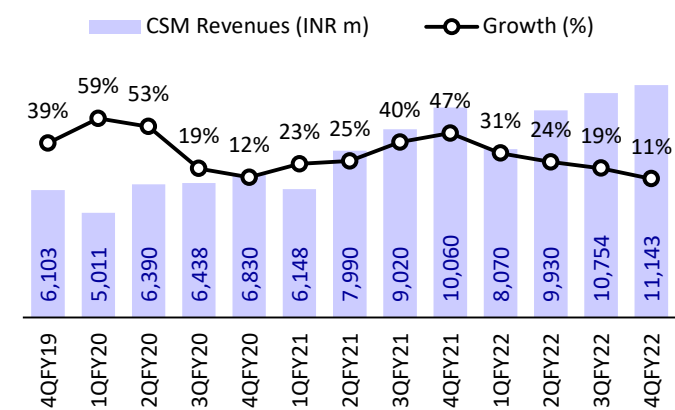
Source: Company, MOFSL

Exhibit 3: PAT trend



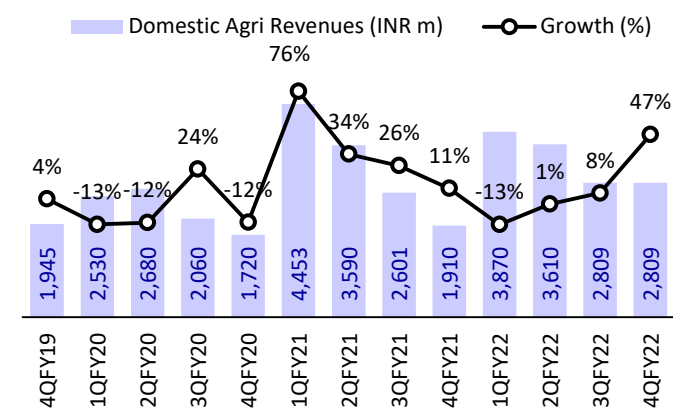
Source: Company, MOFSL

Exhibit 4: CSM revenue trend



Source: Company, MOFSL

Exhibit 5: Revenue trend in Agri Inputs



Source: Company, MOFSL

Exhibit 6: Surge in inquiries, products scale up to drive CSM growth

Global Agchem Exports (CSM)				
Science & Technology Driven	Development		Scale-up	Manufacturing
	Process Development	New Technology	Capacity Build up	Operational Improvements
	9 new molecules commercialized in FY22 >40 products at different development stages - Pipeline has more than 20% non agchem products	- Continuous flow chemistry developed for 1 intermediate at pilot plant - Implemented technology to improve solvent quality & recovery (PSD)	2 more Multi Product Plant (MPP) fully commissioned in the FY - New chemistry building block (MMH) commissioned	- Capital efficiency optimized by: ✓ Operational excellence; ✓ Statistical data analysis; ✓ Process improvement - New analytical tool implemented for process monitoring in >10 products
	Customer Acquisition/ Order Book			Contracted for 500KW solar power at Jambusar
Customer Centric				
	36 new enquiries received: More than 35% from non agchem space 8 new customers were acquired during current fiscal - Robust order book of ~\$1.4 Bn			

Source: Company, MOFSL

Exhibit 7: Portfolio of specialized products and robust pipeline of new products to drive domestic business

Domestic Agri Brands		
Science & Technology Driven	Evaluation & Trials	Regulatory services & Registrations
	Product Innovation	Product development and Regulatory approvals
	One new insecticide for rice and three specialty fungicide focused on horticulture and rice launched	15+ products at different stages of development and registration - During FY22, received 3 regulatory approval including the 1st product to receive MRL exemption in India 5 innovative products to be launched in FY23
Customer Centric	Marketing & Distribution	
	Channel Expansion	Market Penetration
	- PI Mitra Loyalty Program rolled out for deeper engagement with channel partners - Implemented digital Sales Ordering module for channel partners	- Nominee Gold® maintained dominant share among rice herbicides - Positive momentum for Awkira® (pre-emergent wheat herbicide) with treated acres increase 3x - Successful launch of Armatura® on grapes, a specialty fungicide with biological origin - Successful launch of Distrupor® for control of rice Brown Plant Hopper (BPH) - Aggressive growth agenda in horticulture
Farm Application Services		
- Doubled the area treated using high-tech spray machines - Piloted drone applications and evaluating scale-up		

Source: Company, MOFSL

Exhibit 8: New product launches gaining good traction

Transforming practice from Post to Pre-emergent Herbicide AWKIRA™ - Unique mode of action to control resistant Phalaris minor in Wheat - Developed application support to treat ~7 lakh acreages, providing better & efficient services - Immediate expansion in Soybean and Corn, which are highly driven by herbicide business 	India's first Pheromone based Insecticide to address boll worm menace affecting cotton crop PB KNOT - Sustainable solution PB Knot® (cotton insecticide) now covering 100,000+ acres across 5 states - Innovative mating disruption technology - Best fit in IPM of boll worm management - Extensively tested globally - Safe to beneficial insects, environment & applicator 	Specialty Fungicide of biological origin for India's major export crop, grapes ARMATURA® - Improves grape yield without adversely impacting quality - Product is MRL exempt and safe to use for preventive disease management - Farmers find that two applications of Armatura® gave effective control of powdery mildew - Armatura® application enhanced the quality of grapes by improving the luster and shining 
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Exhibit 9: Growth momentum to continue in FY23

Domestic: Focus on portfolio diversification with launch of novel offerings	- Strong demand is expected for insecticides, fungicides, herbicides and bio-nutrients on the back of normal monsoon predictions - Commodity prices remain robust owing to global demand 5 new products scheduled to be launched in FY23
CSM Export: R&D focused approach to drive incremental business	- Continued scale up in demand of some of the existing products - Commercialization of 7 new molecules planned in FY23 - Momentum in new enquiries and conversion to continue - Drive higher capital efficiency in FY23 with focused program to reduce Trade Working Capital
Efforts to drive strategic initiatives continues	2 new process innovations to be commercialized in FY23 - Evaluation of inorganic growth opportunities in pharma continues, both domestic and international options being evaluated
PI's product & research efforts yielding promising results	Discussions continues with global innovators for development partnership of 2 promising leads; one novel fungicide and a novel broad spectrum insecticide having sizable potential market opportunity

...Confident of delivering 18%-20% revenue growth with continued improvement in margins and returns

Source: Company, MOFSL



Highlights from management interaction

- 4QFY22 performance update:** Revenue growth of 17% YoY was driven by price increase of ~7% and balance from volume growth. The domestic business saw growth of 47% YoY due to scale up in Wheat herbicide during 4QFY22. Exports grew 11% YoY and contributed to overall revenue growth.
- Margins:** EBITDA margins expanded 290bp YoY to 21.9% (est. 21.0%); with gross margins coming in at 44.1% (+200bp YoY) due to cost pass through and favorable product mix, employee cost at 8.2% of sales (-100bp YoY) and other expenses remaining flat YoY at 14.0% of sales.

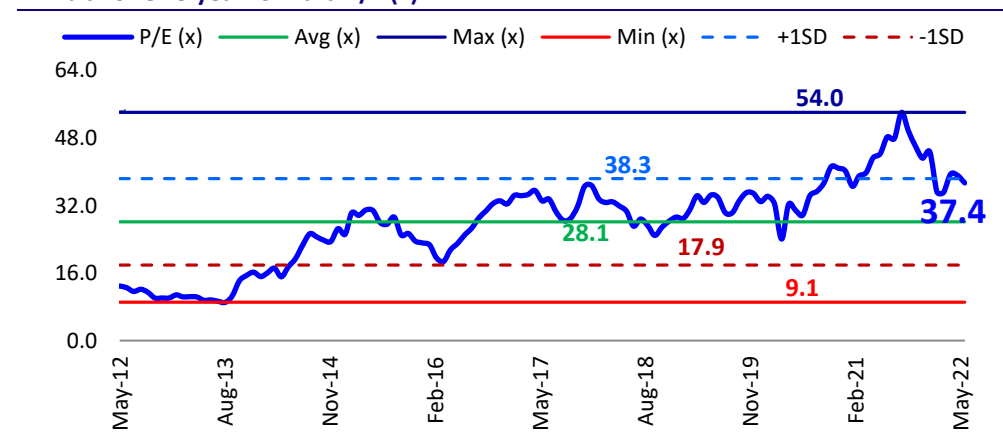
- The rising input costs trends continued, however cost pass-through was undertaken both in CSM exports and Domestic during 3QFY22 and 4QFY22.
- **Pharma:** PI expects to grow the Pharma Intermediary segment through inorganic expansions coming into play over the near-term, as per the management guidance. It aims to become one of the major pharmaceutical CDMO players with facilities across geographies and front-end in developed markets.
- **Capex:** Total capex for FY22 was contained at INR3.2b. The company's key focus remains on driving higher capacity utilization. The management has guided a capex of INR5b in FY23E and INR3.5-4b in FY24E. The capex would be divided across use cases for expansion, maintenance, process efficiencies and R&D.
- The company has a capability to expand through current facilities over the next two to three years and does not intend to undertake any Greenfield capacity in the near to mid-term.
- The company has achieved a fixed asset turnover of 2.06x which is well over the industry average of 1.75x and aims to further increase this with an average run rate of 10% improvement in utilization efficiencies on an annual basis. The company commercialized nine new products for exports in FY22 and has 40+ products at different scale-up stages.
- CSM order book remained robust at ~INR1.4b levels, showing a good visibility for the future. Company acquired 8 new customers during the current fiscal and has received 36 new enquiries with 35% of them being from the non-agrochemical space. Management expects momentum of new enquiries and its conversion to continue.
- **New CSM molecules:** PI has commercialized nine new molecules in FY22 with >40 products at different development stages. The R&D pipeline remains strong with >20% non-agrochemical products.
- Continuous flow chemistry was developed for an intermediate at the pilot plant. It has implemented this technology to improve solvent recovery.
- **New products:** PI aims to commercialize seven new molecules under the CSM business (3 non-agrochemical and 4 agrochemical molecules) in FY23 and five new products under the domestic business in FY23. Two new process innovations would be commercialized in FY23.
- PI launched 4 new products in the domestic business in FY22. The new products launched included a rice insecticide; three specialty fungicides focused on horticulture and rice segment.
- **Jivagro:** PI under its subsidiary launched 13 new horticulture products during FY22.
- The company has 15+ products at different stages of development and registration in the domestic business. During FY22, it received 3 regulatory approvals including 1st product to receive MRL exemption in India.
- The company commissioned an MPP (multi-purpose plant) and an MMH (mono-methyl hydrazine) in during the fiscal.
- **Inventory:** PI has rapidly increased its inventory level to INR14.2b in FY22 (v/s INR10.5b in FY21) to avert supply chain disruptions and meet customer supply schedules / continue operations.
- **Working capital:** WC turnover days shot up from 84 days in FY21 to 116 days in FY22, primarily on account of inventory levels surging 35% YoY higher in order to avert supply chain disruptions and meet customer supply schedules, leading to stress on the WC cycle in the quarter.

- The company is in discussions with global innovators for development partnerships for two products – a novel fungicide and a novel broad-spectrum insecticide with sizable potential market opportunity.
- **Guidance:** The management remains confident about delivering 18% - 20% revenue growth in FY23E with continued improvement in margins and returns. The growth momentum in FY23 will be driven by better demand for insecticides, fungicides, herbicides and bio-nutrients in domestic business owing to robust commodity prices and normal monsoon predictions and CSM business to grow on continued scale-up in demand of existing products.
- The company has guided to drive higher capital efficiency in FY23 with focused program to reduce trade working capital under the CSM business.
- The company is evaluating inorganic growth opportunities in Pharmaceuticals, both domestic and international markets.

Valuation and view

- PI has levers in place to sustain the near-term growth momentum, led by: a) a ramp-up in operations at two MPPs that were commenced in FY22, b) sustained growth momentum in the CSM business due to a strong (USD1.4b) order book, rising pace of commercialization of new molecules, and a sales ramp-up in existing molecules, and c) product launches in the domestic market (four new launches in FY22 and five new launches planned in FY23E), thus providing earnings visibility.
- We expect a revenue/EBITDA/PAT CAGR of 17%/23%/25% over FY22–24.
- We maintain our earnings estimates for FY23/FY24. We value the stock at 38x EPS (in line with its three-year avg. one-year forward P/E) to arrive at our TP of INR3,280. Maintain **BUY**.

Exhibit 10: One-year forward P/E (x)



Source: MOFSL

Exhibit 11: Change in estimates

Earnings Change (INR m)	Old		New		Change	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Revenue	62,478	72,869	62,431	72,690	0%	0%
EBITDA	14,370	17,389	14,359	17,347	0%	0%
Adj. PAT	10,870	13,327	10,748	13,124	-1%	-2%

Source: MOFSL

Financials and valuations

Income Statement (Consolidated)

	(INR M)								
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Net Revenue	20,963	22,768	22,771	28,409	33,665	45,770	52,995	62,431	72,690
Change (%)	8.0	8.6	0.0	24.8	18.5	36.0	15.8	17.8	16.4
Total Expenditure	16,651	17,236	17,837	22,645	26,487	35,648	41,571	48,072	55,343
% of Sales	79.4	75.7	78.3	79.7	78.7	77.9	78.4	77.0	76.1
EBITDA	4,312	5,533	4,934	5,764	7,178	10,122	11,424	14,359	17,347
Margin (%)	20.6	24.3	21.7	20.3	21.3	22.1	21.6	23.0	23.9
Depreciation	543	730	830	930	1,367	1,748	2,018	2,378	2,654
EBIT	3,770	4,802	4,104	4,834	5,811	8,374	9,406	11,981	14,693
Int. and Finance Charges	96	72	53	50	170	282	128	151	165
Other Income	355	366	603	595	489	1,249	1,014	1,311	1,526
PBT bef. EO Exp.	4,028	5,096	4,653	5,379	6,130	9,341	10,292	13,141	16,054
EO Items	0	0	0	0	0	0	0	0	0
PBT after EO Exp.	4,028	5,096	4,653	5,379	6,130	9,341	10,292	13,141	16,054
Current Tax	909	1,035	1,001	1,176	1,259	1,753	1,950	2,431	2,970
Deferred Tax	4	-534	-22	101	313	249	-60	0	0
Tax Rate (%)	22.7	9.8	21.0	23.7	25.6	21.4	18.4	18.5	18.5
Less: MI/Profit & Loss of associates	0	1	-2	0	-8	-44	-36	-38	-40
Reported PAT	3,116	4,594	3,676	4,102	4,566	7,383	8,438	10,748	13,124
Adjusted PAT	3,116	4,594	3,676	4,102	4,566	7,383	8,438	10,748	13,124
Change (%)	26.7	47.5	-20.0	11.6	11.3	61.7	14.3	27.4	22.1
Margin (%)	14.9	20.2	16.1	14.4	13.6	16.1	15.9	17.2	18.1

Balance Sheet (Consolidated)

	(INR M)								
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	137	138	138	138	138	152.0	152.0	152.0	152.0
Total Reserves	11,572	16,134	19,111	22,716	26,053	53,272	61,052	70,888	83,100
Net Worth	11,709	16,272	19,248	22,854	26,191	53,424	61,204	71,040	83,252
Minority Interest	0	0	0	0	0	0	0	0	0
Deferred Liabilities	353	0	0	0	102	796	875	875	875
Total Loans	1,514	1,198	834	99	5,077	3,279	2,678	2,750	2,750
Capital Employed	13,576	17,470	20,082	22,953	31,370	57,499	64,757	74,665	86,877
Gross Block	11,503	12,942	14,298	17,109	24,366	28,921	34,082	39,082	42,582
Less: Accum. Deprn.	2,762	3,492	4,322	5,252	6,619	8,367	10,385	12,762	15,416
Net Fixed Assets	8,742	9,450	9,977	11,857	17,747	20,554	23,697	26,319	27,165
Capital WIP	713	773	899	1,828	1,828	2,875	1,145	1,145	1,145
Current Investments	0	824	1,595	1,119	1,325	8,517	8,547	9,547	10,547
Total Investments	3	833	1,607	1,291	1,504	8,724	8,995	9,995	10,995
Curr. Assets, Loans&Adv.	10,028	11,760	13,515	16,431	21,169	37,866	44,074	51,503	64,056
Inventory	3,948	4,320	4,520	5,357	7,989	10,528	14,234	12,828	14,936
Account Receivables	3,978	4,237	5,268	6,618	6,465	7,035	8,687	10,263	12,945
Cash and Bank Balance	560	1,326	1,307	892	1,342	14,757	14,102	20,608	27,452
Loans and Advances	1,543	1,877	2,420	3,564	5,373	5,546	7,051	7,804	8,723
Curr. Liability & Prov.	5,910	5,544	6,182	8,595	10,878	12,520	13,154	14,297	16,484
Account Payables	3,661	2,878	3,687	5,130	5,909	7,960	9,242	9,695	11,184
Other Current Liabilities	2,054	2,350	2,155	3,049	4,421	4,008	3,555	4,245	4,943
Provisions	196	316	340	416	548	552	357	357	357
Net Current Assets	4,118	6,216	7,333	7,836	10,291	25,346	30,920	37,206	47,572
Deferred Tax assets	0	198	267	141	0	0	0	0	0
Appl. of Funds	13,576	17,470	20,082	22,953	31,370	57,499	64,757	74,665	86,877

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Basic (INR)									
EPS	20.5	30.2	24.2	27.0	30.0	48.6	55.5	70.7	86.3
Cash EPS	24.1	35.0	29.6	33.1	39.0	60.1	68.8	86.4	103.8
BV/Share	77.0	107.1	126.6	150.4	172.3	351.5	402.7	467.4	547.7
DPS	2.8	3.6	5.0	3.6	3.6	5.0	5.0	6.0	6.0
Payout (%)	16.6	14.6	25.1	16.4	14.7	10.3	9.0	8.5	6.9
Valuation (x)									
P/E	128.2	86.9	108.7	97.4	87.5	54.1	47.3	37.2	30.4
Cash P/E	109.2	75.0	88.7	79.4	67.3	43.7	38.2	30.4	25.3
P/BV	34.1	24.5	20.8	17.5	15.3	7.5	6.5	5.6	4.8
EV/Sales	19.1	17.5	17.5	14.0	12.0	8.5	7.3	6.1	5.2
EV/EBITDA	92.8	72.2	80.9	69.2	56.2	38.3	34.0	26.6	21.6
Dividend Yield (%)	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.2
FCF per share	3.5	14.4	10.9	1.7	2.1	18.9	12.7	55.9	58.7
Return Ratios (%)									
RoE	29.9	32.8	20.7	19.5	18.6	18.5	14.7	16.3	17.0
RoCE	27.1	30.4	19.8	19.2	17.3	17.2	14.1	15.7	16.5
RoIC	27.4	32.3	21.0	20.9	18.9	22.8	21.4	23.4	26.6
Working Capital Ratios									
Fixed Asset Turnover (x)	1.8	1.8	1.6	1.7	1.4	1.6	1.6	1.6	1.7
Asset Turnover (x)	1.5	1.3	1.1	1.2	1.1	0.8	0.8	0.8	0.8
Inventory (Days)	69	69	72	69	87	84	98	75	75
Debtor (Days)	66	65	83	85	70	56	60	60	65
Creditor (Days)	115	90	115	121	117	113	115	104	104
Working Cap. Turnover (Days)	62	78	97	89	97	84	116	97	101
Leverage Ratio (x)									
Current Ratio	1.7	2.1	2.2	1.9	1.9	3.0	3.4	3.6	3.9
Interest Cover Ratio	39	67	77	97	34	30	73	79	
Debt/Equity	0.1	0.1	0.04	0.00	0.2	0.1	0.0	0.0	0.0

Cash Flow Statement (Consolidated)

(INR M)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	4,028	5,095	4,655	5,379	6,138	9,385	10,328	13,141	16,054
Depreciation	543	730	830	930	1,367	1,748	2,018	2,378	2,654
Interest & Finance Charges	96	72	53	50	170	282	128	151	165
Direct Taxes Paid	-958	-1,212	-963	-1,183	-1,048	-1,647	-1,751	-2,431	-2,970
(Inc)/Dec in WC	20	-1,234	-1,045	-1,503	255	-1,303	-5,276	220	-3,522
CF from Operations	3,730	3,451	3,530	3,673	6,882	8,465	5,447	13,459	12,381
Others	-62	-63	-336	235	99	-1,216	-160	38	40
CF from Operating incl EO	3,668	3,388	3,194	3,908	6,981	7,249	5,287	13,497	12,421
(inc)/dec in FA	-3,188	-1,413	-1,696	-3,677	-6,693	-4,375	-3,362	-5,000	-3,500
Free Cash Flow	480	1,976	1,498	231	288	2,874	1,925	8,497	8,921
(Pur)/Sale of Investments	-57	-1,090	-375	427	1,014	-5,516	39	-1,000	-1,000
Others	212	151	266	34	-4,170	-14,413	2,219	0	0
CF from Investments	-3,034	-2,351	-1,805	-3,216	-9,849	-24,304	-1,104	-6,000	-4,500
Issue of Shares	1	0	0	0	0	19,736	0	0	0
Inc/(Dec) in Debt	1,587	-248	-365	-399	4,562	-1,786	-720	72	0
Interest Paid	-101	-72	-53	-50	-179	-244	-85	-151	-165
Dividend Paid	-725	-248	-662	-831	-748	-607	-758	-912	-912
Others	-1,156	297	-329	173	-317	13,371	-3,275	0	0
CF from Fin. Activity	-394	-271	-1,409	-1,107	3,318	30,470	-4,838	-991	-1,077
Inc/Dec of Cash	240	766	-20	-415	450	13,415	-655	6,506	6,844
Opening Balance	320	560	1,326	1,307	892	1,342	14,757	14,102	20,608
Closing Balance	560	1,326	1,307	892	1,342	14,757	14,102	20,608	27,452

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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