

# ZUARI AGRO CHEMICALS

## Clocks growth and pays debt too

India Equity Research | Fertilisers

Zuari Agrochemicals (ZAC) reported strong consolidated performance led by impressive growth in JV - Paradeep Phosphate (PPL) and Mangalore Chemical (MCFL). While standalone volume/revenue fell 7%/28% YoY impacted by one-offs and lower fertiliser trading, consolidated (including 100% PPL) volume/revenue grew 11%/1% YoY. Key highlight of the quarter was the QoQ decline in debt and subsidy by INR13.1bn/INR12.6bn, respectively. Given the improvement in EBITDA/mt, reduction in interest on lower working capital and synergy benefits from MCFL, we expect ZAC to log sharp jump in FY18/19 earnings. Hence, we raise our FY18/FY19E EPS by 9/25% and given the improving earnings visibility, we raise our target multiple to 12x (from 10x) and revise our TP to INR524 (INR403 earlier). Maintain 'BUY'.

### Standalone weak, consolidated show impressive

Standalone volumes fell 7% YoY on lower trading and higher trade inventory, while PPL (50% JV) and MCFL reported 36%/9% YoY growth in volumes, respectively. Total EBITDA, including other income, at INR2.2bn (including 100% of PPL) surged 38% YoY. Standalone show was hit by late arrival of imported DAP due to port congestion and prolonged plant shutdown and high-cost inventory marred margins.

### Subsidy reduction to lower debt, aggressive capex ahead

There was a sharp INR13.1bn reduction in consolidated debt to INR54bn in Q1FY18 versus FY17 following cut in group level subsidy by INR12.6bn to INR22bn. However, aggressive capex of INR18bn (to be funded via internal accruals and debt) is lined up including INR13bn in ZAC and INR3bn/INR2bn in MCFL/PPL to improve energy efficiency and debottlenecking capacity.

### Outlook and valuations: Better prospects ahead; maintain 'BUY'

PPL's bottom line was impacted by high interest cost (98% of EBITDA in FY17), but decline in working capital and subsidy is expected to lower interest cost (~60% of EBITDA in FY18E) and drive earnings. Factoring in lower working capital and better EBITDA/mt, we raise our FY18/19E EPS by 9/25%. With earnings visibility improving, we raise our target multiple to 12x (from 10x) and revise our target price to INR524 (INR403 earlier). We maintain 'BUY'.

#### Financials

Year to March	Q1FY18	Q1FY17	% change	Q4FY17	% change	FY17	FY18E	FY19E
Net rev.	7,038	9,760	(27.9)	9,443	(25.5)	63,855	82,757	85,689
EBITDA	331	466	(28.8)	754	(56.0)	4,657	6,275	6,459
Adj. profit	3	38	(92.9)	253	(98.9)	114	1,504	1,837
Dil. EPS (INR)	0.1	0.9	(92.9)	6.0	(98.9)	2.7	35.8	43.7
Dil. P/E (x)						138.1	10.4	8.5
EV/EBITDA (x)						12.8	8.7	8.2
ROAE (%)						1.2	8.2	8.7

\* Annual numbers are on consolidated basis

#### EDELWEISS RATINGS

Absolute Rating	BUY
Investment Characteristics	Growth

#### MARKET DATA (R: ZUAR.BO, B: ZUAC IN)

CMP	: INR 372
Target Price	: INR 524
52-week range (INR)	: 450 / 164
Share in issue (mn)	: 42.1
M cap (INR bn/USD mn)	: 16 / 244
Avg. Daily Vol. BSE/NSE ('000)	: 153.9

#### SHARE HOLDING PATTERN (%)

	Current	Q4FY17	Q3FY17
Promoters *	66.1	66.1	65.7
MF's, FI's & BKs	10.4	10.1	8.0
FII's	0.3	0.4	2.4
Others	23.2	23.5	23.9
* Promoters pledged shares (% of share in issue)	:		NIL

#### PRICE PERFORMANCE (%)

	BSE Midcap Index	Stock	Stock over Index
1 month	5.6	(5.0)	(10.5)
3 months	4.5	(10.9)	(15.4)
12 months	21.6	119.1	97.5

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**Table 1: ZAC consolidated performance**

INR mn	Zuari Agrochemical (Standalone)				PPL (100%)				MCFL			
	Q1FY18	Q1FY17	% YoY	FY17	Q1FY18	Q1FY17	% YoY	FY17	Q1FY18	Q1FY17	% YoY	FY17
Volumes (MT)	292,000	315,000	(7.3)	1,465,000	329,000	242,000	36.0	1,337,000	210,000	192,000	9.4	943,000
Sales	7,038	9,760	(27.9)	39,590	9,490	6,850	38.5	36,970	5,930	5,530	7.2	25,020
EBITDA	687	802.2	(14.4)	3,550	1,190	380	213.2	4,920	300	400	(25.0)	1,840
PBT	5.2	(175)	NM	290	440	(1,070)	NM	1,310	40	(130)	NM	300
Gross debt	23,760			31,030	23,760			24,610	11,890			11,760
Subsidies o/s	7,360			14,850	7,360			12,920	6,440			6,790

Note: EBITDA includes other income  
Source: Company, Edelweiss research

## Q1FY18 conference call: Key highlights

### Industry

- Monsoon has been progressing well. Last month the rainfall was 4% higher than normal amidst erratic distribution.
- In the areas that ZAC serves, pre-monsoon shower has been good. Though Karnataka received normal rainfall, distribution was skewed leading to dry patches.
- Overall, water availability for 90 reservoirs is higher than last year
- At industry level, sales volume has increased as follows:
  - Urea: up 10%
  - DAP: up 22%
  - NPK: down 6% impacted by high channel inventory
- Even though PPL's and MCFL's volumes surpassed market, ZAC lost market share this quarter.
- With respect to GST, industry is facing teething issues with matters still not fully sorted out. Ecosystem is taking time to settle down.

### Q1FY18

- There was no major impact of GST
- In June, the non-subsided business was impacted while bulk was stable
- While dealers displayed some resistance to GST, there was no price change due to GST especially after the rates were adjusted lower to 5%

### Standalone

- Revenue fell on lower prices due to government intervention and price correction in phos acid
- Performance was impacted mainly due to:
  - Late arrival of imported DAP due to port congestion
  - Annual plant shutdown was prolonged.
- ZAC took a decision not to push stocks as channel stocks were high
- Margins corrected as the company's opening stock was at a very high price (phos acid at USD715/tonne versus USD620/tonne average price in Q1FY18)
- Standalone EBITDA stood at INR1,150/tonne
- ZAC expects to regain lost volumes in current quarter

- Total revenue stood at INR22.8bn (INR22.6bn in Q1FY17)
- Total EBITDA stood at INR2.2bn (INR1.6bn in Q1FY17)

#### Raw material

- Current phos acid prices are hovering ~USD590/MT. For Q2/Q3FY18 ZAC has fixed prices at USD567/MT.
- MOP was ~USD227/MT which stood increased at USD240/MT from July 1, 2017. ZAC will explore another price hike after gauging the stock position
- Ammonia: Last year hovered ~USD370/MT, plunged thereon and is now at USD200/MT. In Q1FY18, stood at USD300-320/MT, currently at ~USD200/MT

#### Subsidy

- Subsidy outstanding further fell in MCFL and PPL, expected to stay stable in ZAC

#### DBT

- According to ZAC, the government is looking at Jan'18. There are still many issues related to POS and Aadhar clarification
- Q1FY18 subsidy payout from the government has been reasonable. While provisioning is good, but there is a INR350bnn backlog
- There is huge inventory in the channel, FY16: 6-6.5mn MT this year which has come down to 4-4.5mn MT. Ideal level of inventory is 2-2.5mn MT. Once DBT is rolled out, this excess 2mn MT inventory will have to be phased out.
- In current process, DBT will be transferred during Apr-Sep when farmers buy the fertiliser

#### Stores/retail

- Investment per retail store is a mere INR0.7mn, and the company currently has 103 stores with all stores being profitable
- It has already signed leases for 28 stores and wants to take it to 200 by this year end
- All stores are working on distributor margins only
- The stores give direct access to farmers and eliminates the middlemen
- Plan are afoot to launch an App for farmers
- Stores financials
  - FY17: Rev of INR750mn, EBITDA INR15-20mn from 100 stores
  - Q1FY17: Sale of INR220mn
- This segment operates as a separate SBU and therefore no corporate overheads are allocated
- Capital employed is mainly working capital
- Looking at growing retail stores to 1,000 in less than 5 years as earlier guided

#### Guidance

- Looking at revamping MCFL and ZAC
- Focus on non-subsidy products where the company can use its distribution channel
- Will incur capex of INR13bn in ZAC and INR2bn in PPL

## Financial snapshot

(INR mn)

Year to March	Q1FY18	Q1FY17	% change	Q4FY17	% change	FY17	FY18E	FY19E
Net revenues	7,038	9,760	(27.9)	9,443	(25.5)	63,855	82,757	85,689
Raw material	4,825	7,521	(35.9)	6,664	(27.6)	45,134	61,272	63,536
Staff costs	221	208	6.5	185	19.9	1,605	1,946	2,034
Other expenses	1,660	1,566	6.1	1,841	(9.8)	12,458	13,263	13,659
Total expenditure	6,707	9,295	(27.8)	8,689	(22.8)	59,198	76,481	79,229
EBITDA	331	466	(28.8)	754	(56.0)	4,657	6,275	6,459
Depreciation	87	86	1.5	88	(1.1)	776	1,151	1,235
EBIT	244	380	(35.7)	666	(63.3)	3,881	5,124	5,225
Other income	356	337	5.6	367	(3.0)	761	831	829
Interest	594	891	(33.3)	654	(9.1)	4,542	3,684	3,281
Profit before tax	5	(614)	(100.8)	364	(98.6)	100	2,272	2,773
Provision for taxes	3	(213)	(101.2)	125	(98.0)	221	736	899
Minority interest	-	-	-	-	-	91	31	37
Associate profit share	-	-	-	-	-	325	-	-
Profit- Discontinued Ops								
Exceptional Items						(643)		
Reported net profit	3	(401)	(100.7)	239	(98.9)	(530)	1,504	1,837
Adjusted Profit	3	38	(92.9)	253	(98.9)	114	1,504	1,837
Diluted shares (mn)	42	42		42		42	42	42
Adjusted Diluted EPS	0.1	0.9	(100.0)	6.0	(100.0)	2.7	35.8	43.7
Diluted P/E (x)	-	-		-		138.1	10.4	8.5
EV/EBITDA (x)	-	-		-		12.8	8.7	8.2
ROAE (%)	-	-		-		1.2	8.2	8.7
<b>As % of net revenues</b>	-	-		-				
Raw material	68.6	77.1		70.6		70.7	74.0	74.1
Employee cost	3.1	2.1		2.0		2.5	2.4	2.4
Other expenses	23.6	16.0		19.5		19.5	16.0	15.9
EBITDA	4.7	4.8		8.0		7.3	7.6	7.5
Reported net profit	-	0.4		2.7		0.2	1.8	2.1

\* Annual numbers are on consolidated basis

## Change in Estimates

	FY18E			FY19E			Comments
	New	Old	% change	New	Old	% change	
Net Revenue	82,757	92,905	(10.9)	85,689	98,196	(12.7)	Fall in fertiliser prices
EBITDA	6,275	5,927	5.9	6,459	6,186	4.4	Higher spread in fertilizer margin/t
EBITDA Margin	7.6	6.4		7.5	6.3		
Adjusted PAT	1,504	1,206	24.7	1,836	1,693	8.5	Lower interest expense
Net Profit Margin	1.9	1.4		2.2	1.8		
Capex	10,960	573	1,811.4	2,565	226	1,037.1	

## Company Description

Incorporated in 1967 as Zuari Agro Chemicals, a joint venture between the K K Birla Group and the US Steel Corporation, it was renamed Zuari Industries (Zuari) in 1998. The company has a fertiliser manufacturing facility at Goa with four plants dedicated to manufacture urea, DAP, SSP and NPK-based fertilisers. Jai kisan (urea), Samraat, Sampurna are amongst Zuari's popular brands. The company also deals in agricultural inputs such as seeds and specialty fertilisers. It has diversified into several related and unrelated sectors through subsidiaries and has presence in seeds, cement, furniture, pesticides, etc. Zuari has marketing offices spread over Goa, Maharashtra, Karnataka, Andhra Pradesh, and Tamil Nadu. In 2012, post demerger, the entire fertiliser business is demerged into a separate entity Zuari Holdings (ZHL) which has again renamed as Zuari Agro Chemicals.

## Investment Theme

With a capex outlay of ~INR900mn, ZAC is expanding its complex fertiliser capacity by ~300,000 MT in FY15. With implementation of NBS, ZAC's complex fertiliser segment is expected to benefit due to margin expansion and lower subsidy receivables. Zuari has converted the urea feedstock from naphtha to natural gas in Q4FY13 and will benefit from: (a) production of additional 40,000 MT urea p.a. from the existing plant (b) lower subsidy receivable, resulting in better working capital cycle. Further, company is setting up 1m MT DAP facility in UAE with the capex of USD800m and expected to start commercial production by H1CY16. To backward integrating this facility, ZAC has already acquired stake in rock phosphate mine in Peru. With the demerger of the fertiliser business from the non-fertiliser businesses, thus subsiding the investors concerns of possibility of investing fertiliser profits into non-synergic businesses, we believe that ZAC stands to gain from multiple rerating.

## Key Risks

Any execution delay in expansion project could lead to postponement of ZAC's earnings.

Indian agriculture is largely dependent on monsoon. Poor monsoon could, therefore, be a demand dampener.

Possible delay in payment of fertiliser subsidies by government.

## Financial Statements

## Key Assumptions

Year to March	FY16	FY17	FY18E	FY19E
<b>Macro</b>				
GDP(Y-o-Y %)	7.2	6.5	7.1	7.7
Inflation (Avg)	4.9	4.8	5.0	5.2
Repo rate (exit rate)	6.8	6.3	6.3	6.3
USD/INR (Avg)	65.0	67.5	69.0	69.0
<b>Company</b>				
Urea sales (mn MT)	406,294	466,000	400,000	400,000
Std nonurea sale vol(MT)	690,000	631,000	700,000	720,000
PPL nonurea sale vol(MT)	1,244,415	1,057,753	1,110,640	1,166,172
Non urea real(INR/MT)	31,615	25,292	25,292	25,292
<b>Cost assumptions</b>				
Phosp acid price(US\$/MT)	784	666	666	666
Ammonia (US\$/MT)	433	381	381	381
Materials costs (%)	77.2	70.7	74.0	74.1
Staff costs (%)	2.0	2.5	2.4	2.4
Other exp (% net rev)	17.2	19.5	16.0	15.9
Net borrowings (INR mn)	49,221	40,486	35,052	33,731
Tax rate as % of PBT	22.8	219.9	32.4	32.4
Capex (INR mn)	2,571	978	10,960	2,565
Debtor days	178	216	132	105
Inventory days	53	58	41	41
Payable days	71	79	67	69
Cash conversion cycle	160	195	106	77
Interest Exp (% of Debt)	8.5	11.0	10.0	9.4
Dep. (% gross block)	2.4	2.8	3.0	3.0

## Income statement

(INR mn)

Year to March	FY16	FY17	FY18E	FY19E
Net revenue	76,114	63,855	82,757	85,689
Materials costs	58,748	45,134	61,272	63,536
Gross profit	17,366	18,720	21,484	22,152
Employee costs	1,515	1,605	1,946	2,034
Other Expenses	13,118	12,458	13,263	13,659
Operating expenses	14,634	14,063	15,209	15,693
Total operating expenses	73,382	59,198	76,481	79,229
EBITDA	2,732	4,657	6,275	6,459
Depreciation	655	776	1,151	1,235
EBIT	2,077	3,881	5,124	5,225
Add: Other income	621.29	760.8	830.98	828.62
Less: Interest Expense	4,190	4,542	3,684	3,281
Add: Exceptional items	(261)	(643)	-	-
Profit Before Tax	(1,492)	100	2,272	2,773
Less: Provision for Tax	(339)	221	736	899
Less: Minority Interest	(78)	91	31	37
Associate profit share	183	325	-	-
Reported Profit	(1,152)	(530)	1,504	1,837
Exceptional Items	(261)	(643)	-	-
Adjusted Profit	(892)	114	1,504	1,837
Shares o /s (mn)	42	42	42	42
Basic EPS (INR)	(21.2)	2.7	35.8	43.7
Diluted shares o/s (mn)	42	42	42	42
Adj. Diluted EPS (INR)	(21.2)	2.7	35.8	43.7
Adjusted Cash EPS	(13.7)	26.2	63.1	73.0
Dividend per share (DPS)	-	-	3.5	3.5
Dividend Payout Ratio(%)	-	-	11.5	9.4

## Common size metrics

Year to March	FY16	FY17	FY18E	FY19E
Operating expenses	19.2	22.0	18.4	18.3
Cost of goods sold	77.2	70.7	74.0	74.1
Depreciation	0.9	1.2	1.4	1.4
Interest Expense	5.5	7.1	4.5	3.8
EBITDA margins	3.6	7.3	7.6	7.5
Net Profit margins	(1.3)	0.3	1.9	2.2

## Growth ratios (%)

Year to March	FY16	FY17	FY18E	FY19E
Revenues	(0.3)	(16.1)	29.6	3.5
EBITDA	(9.0)	70.4	34.7	2.9
PBT	(745.5)	(106.7)	2,164.8	22.1
Adjusted Profit	(1,093.6)	(112.7)	1,224.0	22.1
EPS	(1,093.6)	(112.7)	1,224.0	22.1

Balance sheet		(INR mn)			
As on 31st March	FY16	FY17	FY18E	FY19E	
Share capital	421	421	421	421	
Reserves & Surplus	13,053	12,645	16,537	18,197	
Shareholders' funds	13,474	13,066	16,958	18,618	
Minority Interest	3,553	3,644	3,676	3,713	
Short term borrowings	43,807	36,279	31,647	29,647	
Long term borrowings	5,605	4,930	5,361	5,361	
Total Borrowings	49,412	41,209	37,009	35,009	
Long Term Liabilities	4,449	5,937	5,937	5,937	
Def. Tax Liability (net)	(28)	60	60	60	
<b>Sources of funds</b>	<b>70,859</b>	<b>63,916</b>	<b>63,639</b>	<b>63,336</b>	
Gross Block	27,277	27,883	38,957	41,522	
Net Block	16,799	16,630	26,553	27,883	
Capital work in progress	1,020	1,428	968	968	
Intangible Assets	1,527	1,491	1,491	1,491	
Total Fixed Assets	19,346	19,548	29,012	30,342	
Non current investments	7,707	8,777	8,777	8,777	
Cash and Equivalents	191	723	1,957	1,278	
Inventories	7,278	7,085	6,814	7,416	
Sundry Debtors	41,005	34,627	25,071	24,066	
Loans & Advances	352	356	382	382	
Other Current Assets	4,207	4,185	4,185	4,185	
Current Assets (ex cash)	52,842	46,253	36,452	36,049	
Trade payable	8,735	10,870	11,743	12,162	
Other Current Liab	491	515	815	947	
Total Current Liab	9,226	11,386	12,559	13,109	
Net Curr Assets-ex cash	43,616	34,867	23,893	22,940	
<b>Uses of funds</b>	<b>70,859</b>	<b>63,916</b>	<b>63,639</b>	<b>63,336</b>	
BVPS (INR)	320.4	310.7	403.2	442.7	

Free cash flow		(INR mn)			
Year to March	FY16	FY17	FY18E	FY19E	
Reported Profit	(1,152)	(530)	1,504	1,837	
Add: Depreciation	655	776	1,151	1,235	
Interest (Net of Tax)	2,808	3,043	2,468	2,198	
Others	79	830	416	291	
Less: Changes in WC	13,875	(10,237)	(10,974)	(954)	
Operating cash flow	(11,486)	14,355	16,513	6,514	
Less: Capex	2,571	978	10,960	2,565	
<b>Free Cash Flow</b>	<b>(14,057)</b>	<b>13,377</b>	<b>5,553</b>	<b>3,949</b>	

## Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		EV / EBITDA (X)		ROAE (%)	
		FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Zuari Agro Chemicals	244	10.4	8.5	8.7	8.2	8.2	8.7
Coromandel International	2,035	22.1	18.2	13.2	10.6	19.1	20.1
Deepak Fertilizer Ltd	501	11.9	10.6	7.9	5.2	15.4	15.3
Median	-	11.9	10.6	8.7	8.2	15.4	15.3
AVERAGE	-	14.8	12.4	9.9	8.0	14.2	14.7

Source: Edelweiss research

Cash flow metrics		FY16	FY17	FY18E	FY19E
Year to March					
Operating cash flow	(11,486)	14,355	16,513	6,514	
Investing cash flow	(6,491)	(1,288)	(9,783)	(1,736)	
Financing cash flow	17,460	(12,781)	(8,059)	(5,456)	
Net cash Flow	(516)	286	(1,330)	(678)	
Capex	(2,571)	(978)	(10,960)	(2,565)	
Dividend paid	-	-	(172)	(172)	

## Profitability and efficiency ratios

Year to March	FY16	FY17	FY18E	FY19E
ROAE (%)	(6.9)	1.2	8.2	8.7
ROACE (%)	4.8	7.5	10.3	10.5
ROA	(1.5)	0.2	2.4	2.9
Inventory Days	53	58	41	41
Debtors Days	178	216	132	105
Payable Days	71	79	67	69
Cash Conversion Cycle	160	195	106	77
Current Ratio	5.7	4.1	3.1	2.8
Gross Debt/EBITDA	18.1	8.8	5.9	5.4
Gross Debt/Equity	2.9	2.5	1.8	1.6
Adjusted Debt/Equity	2.9	2.5	1.8	1.6
Net Debt/Equity	2.9	2.4	1.7	1.5

## Operating ratios

Year to March	FY16	FY17	FY18E	FY19E
Total Asset Turnover	1.3	0.9	1.3	1.3
Fixed Asset Turnover	6.6	3.5	3.6	3.0
Equity Turnover	5.4	3.8	4.4	4.0

## Valuation parameters

Year to March	FY16	FY17	FY18E	FY19E
Adj. Diluted EPS (INR)	(21.2)	2.7	35.8	43.7
Y-o-Y growth (%)	(1,093.6)	(112.7)	1,224.0	22.1
Adjusted Cash EPS (INR)	(13.7)	26.2	63.1	73.0
Diluted P/E (x)	(17.5)	137.7	10.4	8.5
P/B (x)	1.2	1.2	0.9	0.8
EV / Sales (x)	0.9	0.9	0.7	0.6
EV / EBITDA (x)	25.0	12.8	8.7	8.2
Dividend Yield (%)	-	-	0.9	0.9

## Additional Data

## Directors Data

S.K. Poddar	Chairman	N. Suresh Krishnan	Non Executive Director
Akshay Poddar	Non Executive Director	J.N. Godbole	Non Executive Director
Marco Wadia	Non Executive Director	Kapil Mehan	Managing Director
Gopal Krishna Pillai	Non Executive Director	Kiran Dhingra	Non Executive Director

Auditors - M/s. S. R. Batliboi & Co.

*\*as per last available data*

## Holding – Top10

	Perc. Holding		Perc. Holding
Zuari global ltd	20	Globalware trading &	17.81
Zuari managment serv	12.08	Sil investments ltd	7.13
Texmaco infrastr & h	7.13	Adventz finance pvt	3.39
Life insurance corp	3.21	New eros tradecom lt	2.85
L&t investment manag	2.44	General insurance co	1.35

*\*as per last available data*

## Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
23 Dec 2016	Coltrane Corporation Ltd	Sell	479750	226.50
23 Dec 2016	Globalware Trading & Holdings Ltd	Buy	479750	226.50

*\*as per last available data*

## Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
05 May 2017	SIL INVESTMENTS LTDS	Sell	15000.00
07 Apr 2017	SIL INVESTMENTS LTD	Sell	60000.00
07 Apr 2017	SIL INVESTMENTS LTD	Sell	30000.00
06 Apr 2017	SIL INVESTMENTS LTD	Sell	60000.00
05 Apr 2017	SIL INVESTMENTS LTD	Sell	60000.00

*\*as per last available data*



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**Coverage group(s) of stocks by primary analyst(s): Fertilisers**

Chambal Fertilisers and Chemicals, Coromandel International, Deepak Fertilizer Ltd, Zuari Agro Chemicals

**Recent Research**

Date	Company	Title	Price (INR)	Recos
02-May-17	<b>Coromandel International</b>	Margin expansion drives PAT growth; <i>Result Update</i>	360	Buy
23-Feb-17	<b>Zuari Agro Chemicals</b>	Decent performance; structural benefits ahead; <i>Result Update</i>	332	Buy
13-Feb-17	<b>Deepak Fertiliser</b>	Decent show; reverts to growth path;	260	Buy

**Distribution of Ratings / Market Cap**

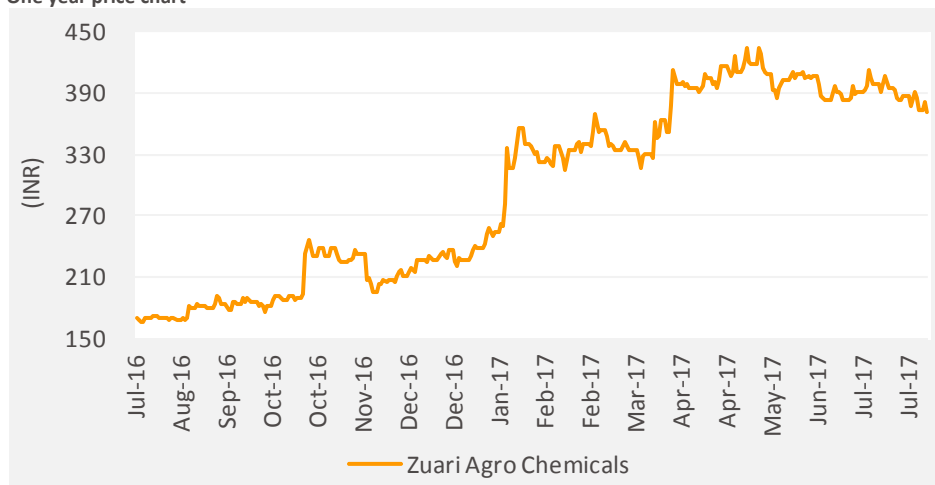
Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

**Rating Interpretation**

Rating	Expected to
<b>Buy</b>	appreciate more than 15% over a 12-month period
<b>Hold</b>	appreciate up to 15% over a 12-month period
<b>Reduce</b>	depreciate more than 5% over a 12-month period

**One year price chart**



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