

Coromandel International

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR789
TP: INR1,071 (+36%)
Buy

Strong operating show continues

Broadly in-line numbers

- Coromandel International (CRIN) reported a decent EBITDA performance (on a high base of last year) on the back of margin expansion in Crop Protection and better manufacturing and trading margins in the Fertilizer segment. Increasing phos acid prices (+35% YoY and +15% QoQ) and, consequently, a price hike in complex fertilizers would continue to be the key monitorable.
- CRIN reported in-line numbers in 3Q; thus, we maintain our estimates for FY21/FY22/FY23E. Maintain **Buy**.

Higher trading volumes drive overall fertilizer volume growth

- 3QFY21 revenue grew 8% YoY to INR35.3b (v/s est. INR37.7b). Overall fertilizer volumes grew 19% YoY on higher trading volumes (+118% YoY), offset by 3% decline in manufacturing volumes.
- EBITDA margins expanded 100bp to 14.1% (v/s est. 13.4%); EBITDA was up 16% YoY to INR4.99b (est. INR5.04b).
- The Nutrient and Other Allied segment revenues grew 7% YoY (to INR30.5b), with 60bp EBIT margin expansion (to 13.4%); segmental EBIT grew 12% YoY to INR4.1b. CRIN has contracted phosphoric acid capacity to USD795/mt for 4QFY21 (v/s USD689/mt in 3QFY21).
- According to our calculations, EBITDA/mt for manufacturing fertilizers (assuming EBITDA/mt of INR812 for traded fertilizers) stood at INR3,923/mt (+4% YoY; -22% QoQ). The share of unique-grade stood at 50% in 3Q (38% YoY).
- Plant Protection revenues grew 11% YoY (to INR5.1b), with the EBIT margin expanding 210bp (to 17.5%). Segmental EBIT grew 25% YoY to INR894m.
- In 9MFY21, revenue / EBITDA / adj. PAT grew 11%/31%/41% YoY.

Highlights from management commentary

- Subsidy outstanding as of Dec'20 stood at INR28.5b (v/s INR16.7b YoY). Subsidy outstanding includes INR5.5b related to channel stock that was pending post the acknowledgment. INR21.1b comprises the amount claimed but pending acknowledgment with the Department of Fertilizer.
- Fertilizer segment margins are expected to be in the range of INR4,000–4,500/mt on an annualized basis.
- Initially, CRIN had planned to spend INR3.5–4b in FY21; however, due to the impact of COVID-19, planned capex has been lowered. Going forward, the company plans to spend INR4–5b (in both Fertilizer and Crop Protection) in FY22.
- The Crop Protection business is expected to continue its growth trajectory through (a) launching new molecules – expected to improve product offerings in the export and domestic markets, (b) strengthening teams in foreign geographies and increased export sales, and (c) looking at combination molecules in the global B2B and B2C markets.

Bloomberg	CRIN IN
Equity Shares (m)	292
M.Cap.(INRb)/(USDb)	231.4 / 3.3
52-Week Range (INR)	880 / 444
1, 6, 12 Rel. Per (%)	-7/-31/3
12M Avg Val (INR M)	429

Financials & Valuations (INR b)

Y/E Mar	2021E	2022E	2023E
Sales	144.5	158.6	168.4
EBITDA	21.8	23.2	25.0
PAT	14.5	16.1	17.4
EBITDA (%)	15.1	14.6	14.8
EPS (INR)	49.5	55.1	59.5
EPS Gr. (%)	36.2	11.2	8.0
BV/Sh. (INR)	180	216	254

Ratios

Net D/E	0.0	(0.1)	(0.2)
RoE (%)	30.2	27.8	25.3
RoCE (%)	25.9	26.1	24.3
Payout (%)	33.9	34.9	36.3

Valuations

P/E (x)	15.9	14.3	13.3
EV/EBITDA (x)	4.4	3.7	3.1
Div Yield (%)	1.8	2.0	2.3
FCF Yield (%)	8.7	6.0	4.3

Shareholding pattern (%)

	Dec-20	Sep-20	Dec-19
Promoter	57.6	59.6	61.7
DII	19.2	19.7	18.5
FII	7.0	5.9	3.5
Others	16.2	14.9	16.3

Valuation and view

- CRIN reported a decent EBITDA performance in 3Q despite 42% EBITDA growth in the base quarter; overall volume growth of 19% was driven by higher trading volumes (+118% YoY). Manufacturing volumes, on the other hand, declined 3% YoY (NPK, which forms 76% of total manufacturing sales volumes, was up 4% YoY). Increasing phos acid prices (+35% YoY and +15% QoQ) and, consequently, a price hike in complex fertilizers would continue to be the key monitorable.
- We believe key levers, which would drive growth for CRIN going forward, include (i) a focus on increasing penetration in CRIN's existing markets, (ii) debottlenecking to increase capacity, (iii) efforts to lower cost of raw material (rock) – while maintaining the same level of quality – and establish an alternative sourcing destination (which would aid in saving cost), (iv) launches of 3–4 molecules in the Crop Protection segment, (v) inorganic growth, and (vi) focus on profitable growth in the Retail business – by reorganizing retail stores depending on the consumption pattern.
- The structural story remains intact with regard to increasing farmers' awareness about having balanced nutrients in crops. This is likely to aid the shift from urea to complex fertilizers; thus, CRIN stands to be a key beneficiary.
- We expect a revenue/EBITDA/PAT CAGR of 9%/13%/18% over FY20–23E. We value CRIN at 18x FY23E EPS to arrive at TP of INR1,071. Maintain **Buy**.

Quarterly Perf. (INR b)

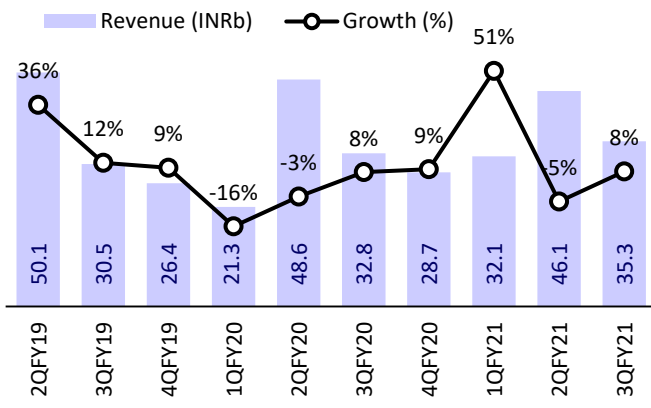
Y/E March	FY20				FY21				FY20	FY21E	FY21	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Consolidated												
Net Sales	21.3	48.6	32.8	28.7	32.1	46.1	35.3	30.9	131.4	144.5	37.7	-6
YoY Change (%)	-15.7	-3.0	7.5	8.8	50.8	-5.1	7.8	7.7	-0.7	10.0	15.1	
Total Expenditure	19.4	41.4	28.5	24.8	28.0	37.7	30.3	26.7	114.1	122.7	32.7	
EBITDA	2.0	7.1	4.3	3.9	4.1	8.4	5.0	4.2	17.3	21.8	5.0	-1
Margins (%)	9.2	14.7	13.2	13.6	12.8	18.3	14.1	13.6	13.2	15.1	13.4	
Depreciation	0.3	0.4	0.4	0.5	0.4	0.4	0.4	0.5	1.6	1.7	0.4	
Interest	0.8	0.7	0.5	0.4	0.4	0.3	0.2	0.2	2.4	1.0	0.1	
Other Income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4	0.1	
PBT before EO expense	1.0	6.1	3.5	3.1	3.4	7.8	4.5	3.7	13.8	19.4	4.6	
Extra-Ord expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PBT	1.0	6.1	3.5	3.1	3.4	7.8	4.5	3.7	13.8	19.4	4.6	
Tax	0.3	1.1	0.9	0.8	0.9	2.0	1.1	0.9	3.1	4.9	1.2	
Rate (%)	34.3	18.1	25.4	25.5	26.5	25.1	25.4	25.2	22.8	25.4	25.2	
MI & P/L of Asso. Cos.	0.00	0.00	0.00	0.00	-0.03	-0.02	-0.02	0.00	-0.01	-0.06	0.00	
Reported PAT	0.6	5.0	2.6	2.3	2.5	5.9	3.3	2.8	10.7	14.5	3.4	-2
Adj PAT	0.6	5.0	2.6	2.3	2.5	5.9	3.3	2.8	10.7	14.5	3.4	-2
YoY Change (%)	-30.8	30.8	71.0	105.3	301.4	16.9	26.2	18.5	43.1	36.2	29.3	
Margins (%)	2.9	10.4	8.1	8.2	7.8	12.8	9.4	9.0	8.1	10.0	9.1	

Key Performance Indicators

Y/E March	FY20				FY21				FY20	FY21E
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Volume Growth (%)	-15.0	-12.0	6.8	-4.0	54.4	-2.1	19.1	5.5	-6.7	13.7
Manufactuing (%)	-16.4	9.1	34.3	12.9	60.7	-17.3	-2.9	-1.3	9.8	1.7
Trading (%)	-7.7	-59.3	-44.4	-43.3	25.0	88.8	118.0	37.4	-46.9	74.2
Mfg EBITDA/MT (INR)	3,466	4,025	3,789	3,701	3,929	5,018	3,923	3,800	3,480	3,880
Crop Protection Revenue Gr (%)	-35.8	-10.6	3.6	21.8	55.1	24.9	10.6	6.0	-6.5	20.9
Cost Break-up										
RM Cost (% of sales)	66.7	72.5	68.5	65.0	71.0	66.5	67.3	65.2	68.9	67.4
Staff Cost (% of sales)	5.2	2.3	3.7	4.1	3.8	3.0	4.1	4.0	3.5	3.6
Freight Cost (% of sales)	9.3	4.9	7.2	7.4	6.0	6.3	6.4	7.6	6.7	6.5
Other Cost (% of sales)	9.6	5.6	7.4	9.9	6.3	6.0	8.1	9.6	7.6	7.3
Gross Margins (%)	33.3	27.5	31.5	35.0	29.0	33.5	32.7	34.8	31.1	32.6
EBITDA Margins (%)	9.2	14.7	13.2	13.6	12.8	18.3	14.1	13.6	13.2	15.1
EBIT Margins (%)	7.7	13.8	11.9	12.0	11.5	17.4	12.9	12.1	12.0	13.8

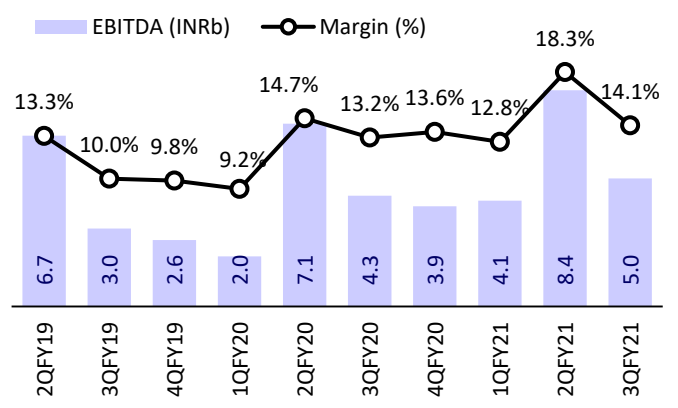
Key exhibits

Exhibit 1: Revenue trend



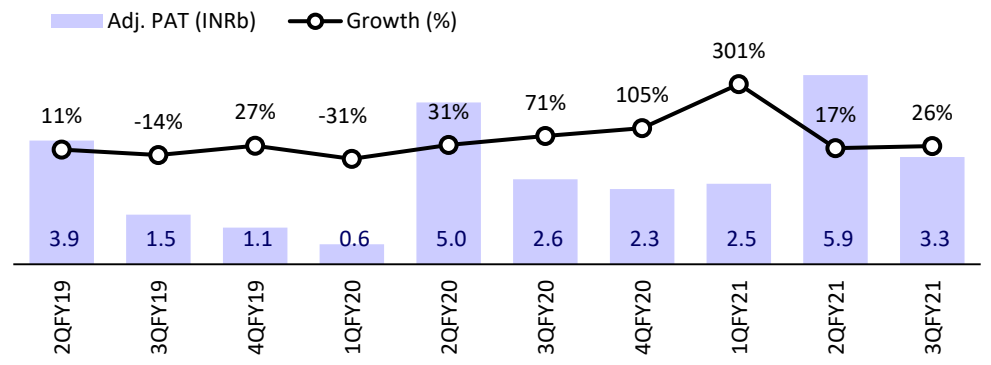
Source: Company, MOFSL

Exhibit 2: EBITDA trend



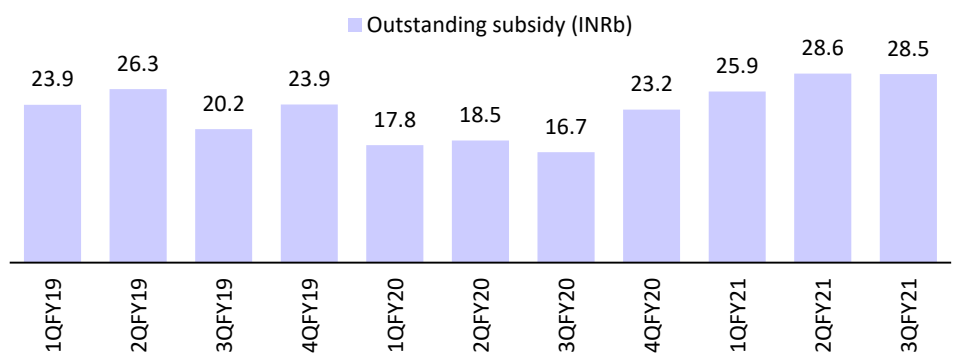
Source: Company, MOFSL

Exhibit 3: Adj. PAT trend



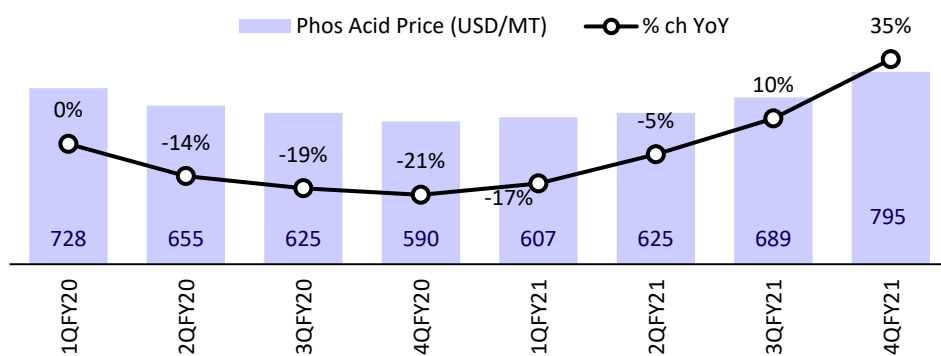
Source: Company, MOFSL

Exhibit 4: Subsidy outstanding trend



Source: Company, MOFSL

Exhibit 5: Phos acid price trend



Source: Company, MOFSL

Exhibit 6: Segmental revenue and EBIT trend

INRm	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21
Segment Revenue							
Nutrient & Other Allied	18,816	43,914	28,408	24,362	28,072	40,142	30,453
YoY Growth %	-12%	-2%	8%	7%	49%	-9%	7%
Crop Protection	2,710	5,099	4,625	4,420	4,202	6,371	5,114
YoY Growth %	-36%	-11%	4%	22%	55%	25%	11%
Less : Inter-segment	218	433	247	89	142	400	236
Total	21,307	48,580	32,787	28,693	32,132	46,113	35,330
Segment EBIT							
Nutrient & Other Allied	2,020	6,282	3,649	3,119	3,695	7,064	4,087
Margin %	10.7%	14.3%	12.8%	12.8%	13.2%	17.6%	13.4%
Crop Protection	59	834	713	598	542	1,385	894
Margin %	2.2%	16.3%	15.4%	13.5%	12.9%	21.7%	17.5%
Unallocable expense	430	403	451	260	534	438	412
Total	1,648	6,713	3,912	3,457	3,704	8,011	4,570

Source: Company, MOFSL

Exhibit 7: Volume trend

Quarterly volume trend (MT)	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21
Manufactured							
NPK	3,50,000	10,42,000	6,40,000	5,80,000	6,30,000	9,37,000	6,66,000
Growth %	-16.7%	2.2%	28.0%	23.4%	80.0%	-10.1%	4.1%
DAP	90,000	1,60,000	1,10,000	1,00,000	1,40,000	16,000	48,000
Growth %	-35.7%	77.8%	450.0%	0.0%	55.6%	-90.0%	-56.4%
SSP	1,20,000	1,94,000	1,50,000	1,10,000	1,30,000	2,02,000	1,60,000
Growth %	9.1%	14.1%	0.0%	-15.4%	8.3%	4.1%	6.7%
Total Mfg	5,60,000	13,96,000	9,00,000	7,90,000	9,00,000	11,55,000	8,74,000
Growth %	-16.4%	9.1%	34.3%	12.9%	60.7%	-17.3%	-2.9%
Traded							
MOP	20,000	66,000	40,000	50,000	30,000	81,000	50,000
Growth %	0.0%	65.0%	0.0%	66.7%	50.0%	22.7%	25.0%
DAP Traded	30,000	18,000	10,000	10,000	60,000	1,65,000	62,000
Growth %	-25.0%	-86.2%	-85.7%	-66.7%	100.0%	816.7%	520.0%
Urea	70,000	1,48,000	1,50,000	1,10,000	60,000	1,92,000	2,80,000
Growth %	0.0%	-63.0%	-40.0%	-54.2%	-14.3%	29.7%	86.7%
Total Trading	1,20,000	2,32,000	2,00,000	1,70,000	1,50,000	4,38,000	3,92,000
Growth %	-7.7%	-59.3%	-44.4%	-43.3%	25.0%	88.8%	118.0%
Total	6,80,000	16,28,000	11,00,000	9,60,000	10,50,000	15,93,000	13,10,000
Growth %	-15.0%	-12.0%	6.8%	-4.0%	54.4%	-2.1%	19.1%

Source: Company, MOFSL



Management call highlights

Agri

- **Monsoon:** The Northeast monsoons were normal in 3Q and ended 1% above average. The southern region saw 15% higher rainfall v/s during the same period last year.
- Excessive rainfall in some of the operating geographies of CRIN led to a postponed rabi season.

Industry

- **Phosphatic fertilizer:** Phosphatic fertilizer sales volumes were down 4% to 5.7mmt in 3QFY21 (v/s 6mmt in 3QFY20 – as 3QFY20 had an early kharif v/s the current quarter).
- Complex primary sales volumes were 2.8mmt in 3QFY21 (2.6mmt YoY) on channel inventory buildup, firm RM prices, and increased phos acid prices.
- On a YTD basis, Phosphatic Fertilizer industry volumes stood at 18mmt (v/s 15.7mmt). YTD Complex volumes, on the other hand, were at 8.8mmt (v/s 7.4mmt) and DAP volumes at 9.3mmt (8.3mmt YoY).

Company-specific

- **Phosphatic** volumes were up 8% YoY to 0.82mmt, whereas manufactured phosphatic volumes were down 5%; this was offset by imported fertilizer sales.
- CRIN's market share was 14.3% in 3QFY21 (up 1.6pp YoY). In 3Q, the phosphatic fertilizer plant operated at 80% capacity utilization.
- Single Super Phosphate (SSP) sales volumes stood at 160k mt (+6% YoY). YTD, phosphatic volumes were up 13% to 2.76mmt, whereas manufactured phosphatic volumes stood at 2.43mmt and imported volumes at 0.34mmt.
- The **Crop Protection** business grew 26% in 9MFY21, driven by the Domestic Formulation business. New product launches contributed to growth; a 25% increase was seen in revenue contribution from new products in the Domestic Formulation business.
- The **Bio-pesticide** business posted impressive growth in the mature markets of Europe and the US.

Subsidy

- The government announced an additional allocation of INR650b to clear past dues toward fertilizer subsidy in 3QFY21. Furthermore, in the FY22 Budget, the government announced subsidy disbursements of INR795b (v/s INR713b in FY21).
- CRIN received record subsidy of INR13.5b in Jan'21.
- Subsidy/Non-subsidy revenue share stood at 78%/22% in 3QFY21 (v/s 77%/23% in 3QFY20). Non-subsidy businesses' EBITDA share increased to 30% in 3QFY21 (27% YoY).
- Subsidy outstanding as of Dec'20 stood at INR28.5b (v/s INR16.7b YoY). Subsidy outstanding includes INR5.5b related to channel stock that was pending post the acknowledgment. INR21.1b comprises the amount claimed but pending acknowledgment with the Department of Fertilizer.

- In 3QFY21, subsidy received from the government was low at INR7.9b (v/s INR9.7b in 3QFY20). 9MFY21 subsidy received stood at INR20.9b (v/s INR33.2b in 9MFY20).

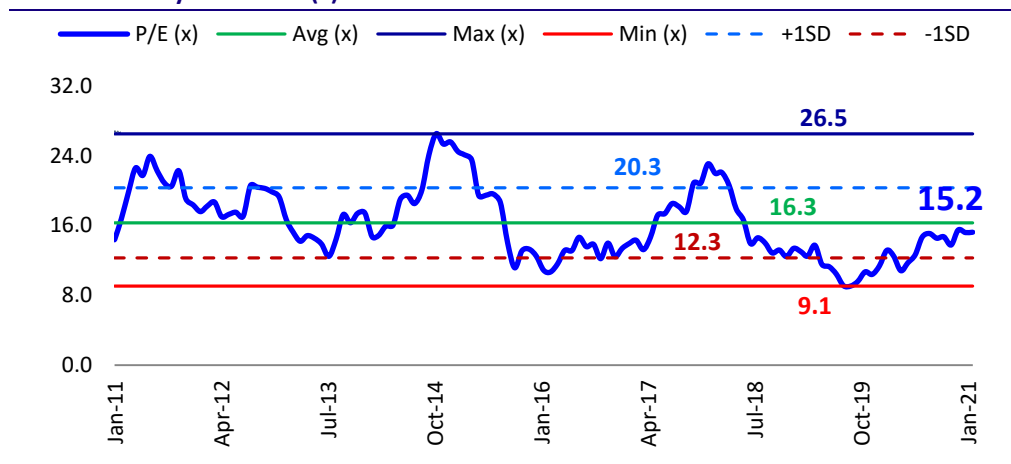
Others

- **Capex plan:** Initially, CRIN had planned to spend INR3.5–4b in FY21; however, due to the impact of COVID-19, planned capex has been lowered. Going forward, the company plans to spend INR4–5b (in both the Fertilizer and Crop Protection businesses) in FY22.
- In the Non-Fertilizer segment, the company plans to increase capacity at three of its locations, since a number of molecules have gone off-patent.
- CRIN is setting up a large evaporating plant at Vizag to improve the availability of concentrated phosphoric acid. It has successfully re-commissioned the sulfuric acid plant at Ranipeth, and a pilot liquid fertilizer plant has been set up at Vizag.
- **Fertilizer segment capex:** In the backdrop of new subsidy announced by the government, CRIN expects further disbursements in Feb'21/Mar'21 – which is in turn expected to push capex plans in the Fertilizer segment.
- **Capacity – debottlenecking:** Currently, CRIN aims to debottleneck capacities at Vizag and Kakinada as well as improve the overall product mix. The initial focus is on improving backward integration, post which it would shift its focus toward additional capital expenditure.
- **Prices:** Phos acid price has been settled at USD795/mt for 4QFY21 and import prices would also be at similar levels. The company is currently anticipating price revision due to an increase in phos acid price.
- The Crop Protection business remains the key focus area as CRIN plans to improve the product pipeline and enter into technical manufacturing. Margins are expected to improve and stabilize at 17–18% on an annual basis.
- Fertilizer segment margins are expected to be in the range of INR4,000–4,500/mt on an annualized basis.
- **Fertilizer:** Fertilizer demand offtake is high in FY21 – primarily due to an increase in sowing acreages – and a similar demand trend is expected to continue. However, an increase in RM prices is expected to marginally offset fertilizer volume growth in FY22.
- **Crop Protection:** The Crop Protection business is expected to continue its growth trajectory through (a) launching new molecules – which are expected to improve product offerings in the export and domestic markets, (b) strengthening teams in foreign geographies and increased export sales, and (c) looking at combination molecules in the global B2B and B2C markets.
- **DBT (Direct Benefit Transfer):** Under the current DBT scheme, government subsidy is given to companies, which is then forwarded to farmers. Under DBT 2.0, subsidy is expected to be disbursed directly to the farmers.

Valuation and view

- CRIN reported a decent EBITDA performance in 3Q despite 42% EBITDA growth in the base quarter; overall volume growth of 19% was driven by higher trading volumes (+118% YoY). Manufacturing volumes, on the other hand, declined 3% YoY (NPK, which forms 76% of total manufacturing sales volumes, was up 4% YoY). Increasing phos acid prices (+35% YoY and +15% QoQ) and, consequently, a price hike in complex fertilizers would continue to be the key monitorable.
- We believe key levers, which would drive growth for CRIN going forward, include (i) a focus on increasing penetration in CRIN's existing markets, (ii) debottlenecking to increase capacity, (iii) efforts to lower cost of raw material (rock) – while maintaining the same level of quality – and establish an alternative sourcing destination (which would aid in saving cost), (iv) launches of 3–4 molecules in the Crop Protection segment, (v) inorganic growth, and (vi) focus on profitable growth in the Retail business – by reorganizing retail stores depending on the consumption pattern.
- The structural story remains intact with regard to increasing farmers' awareness about having balanced nutrients in crops. This is likely to aid the shift from urea to complex fertilizers; thus, CRIN stands to be a key beneficiary.
- We expect a revenue/EBITDA/PAT CAGR of 9%/13%/18% over FY20–23E. We value CRIN at 18x FY23E EPS to arrive at TP of INR1,071. Maintain **Buy**.

Exhibit 8: One-year fwd PE (x)



Source: MOFSL

Exhibit 9: Changes in estimates

Earnings Change (INR m)	Old			New			Change		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	1,46,868	1,58,838	1,72,982	1,44,471	1,58,623	1,68,423	-2%	0%	-3%
EBITDA	21,955	23,349	25,588	21,752	23,232	24,966	-1%	0%	-2%
Adj. PAT	14,729	16,006	17,717	14,509	16,134	17,430	-1%	1%	-2%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement

(INRm)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Total Income from Operations	1,14,814	1,00,308	1,10,829	1,32,246	1,31,367	1,44,471	1,58,623	1,68,423
Change (%)	1.5	(12.6)	10.5	19.3	(0.7)	10.0	9.8	6.2
EBITDA	7,668	9,827	12,564	14,431	17,310	21,752	23,232	24,966
Margin (%)	6.7	9.8	11.3	10.9	13.2	15.1	14.6	14.8
Depreciation	1,061	1,007	991	1,138	1,580	1,743	1,962	2,237
EBIT	6,607	8,820	11,573	13,292	15,730	20,009	21,271	22,729
Int. and Finance Charges	2,209	2,238	1,783	2,507	2,353	1,043	404	234
Other Income	665	548	597	371	400	408	693	797
PBT bef. EO Exp.	5,062	7,130	10,387	11,156	13,777	19,374	21,560	23,292
EO Expense/(Income)	250	0	0	-239	0	0	0	0
PBT after EO Exp.	5,312	7,130	10,387	10,917	13,777	19,374	21,560	23,292
Current Tax	1,878	2,432	3,539	3,874	3,686	4,925	5,427	5,863
Deferred Tax	-161	-78	-71	-153	-551	0	0	0
Total Tax	1,716	2,353	3,468	3,721	3,135	4,925	5,427	5,863
Tax Rate (%)	32.3	33.0	33.4	34.1	22.8	25.4	25.2	25.2
Less: MI/Sh of profit/loss of JV & Ass.	22	7	6	-8	-8	-61	0	0
Reported PAT	3,574	4,770	6,913	7,205	10,650	14,509	16,134	17,430
Adjusted PAT	3,324	4,770	6,913	7,443	10,650	14,509	16,134	17,430
Change (%)	-18.1	43.5	44.9	7.7	43.1	36.2	11.2	8.0
Margin (%)	2.9	4.8	6.2	5.6	8.1	10.0	10.2	10.3

Consolidated - Balance Sheet

(INRm)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Equity Share Capital	291	292	292	293	293	293	293	293
Total Reserves	26,048	28,616	28,670	33,291	42,884	52,471	62,979	74,080
Net Worth	26,340	28,908	28,963	33,584	43,177	52,764	63,272	74,373
Deferred Liabilities	1,679	1,495	1,254	1,123	578	578	578	578
Total Loans	26,267	22,284	27,284	29,545	16,251	5,251	4,751	2,751
Capital Employed	54,286	52,686	57,501	64,252	60,007	58,593	68,601	77,702
Gross Block	23,550	24,612	25,625	26,631	31,166	33,166	38,166	43,166
Less: Accum. Deprn.	10,250	11,257	12,248	13,387	14,967	16,710	18,672	20,908
Net Fixed Assets	13,300	13,355	13,376	13,244	16,200	16,456	19,494	22,258
Goodwill on Consolidation	3	3	3	3	3	3	3	3
Capital WIP	309	137	375	1,756	654	144	159	168
Current Investments	3	1	1	1	0	0	6,000	8,000
Total Investments	4,772	3,885	2,214	2,008	2,113	2,113	2,113	2,113
Curr. Assets, Loans&Adv.	73,433	69,071	82,515	88,728	82,517	92,364	97,469	1,05,700
Inventory	23,458	17,246	22,625	32,414	26,971	27,707	32,594	36,915
Account Receivables	16,419	16,217	15,777	18,244	17,341	18,999	21,729	23,072
Govt Subsidies Receivable	23,671	25,570	26,269	23,935	23,162	27,707	21,729	23,072
Cash and Bank Balance	1,978	1,678	5,554	1,593	783	4,099	6,206	6,492
Loans and Advances	7,908	8,359	12,291	12,542	14,259	13,853	15,210	16,150
Curr. Liability & Prov.	37,531	33,764	40,983	41,488	41,481	52,488	56,637	60,541
Account Payables	32,329	29,345	33,786	37,625	33,481	38,706	42,097	45,118
Other Current Liabilities	4,945	4,129	6,952	3,542	7,643	8,312	8,257	8,306
Provisions	257	289	244	321	357	5,470	6,283	7,117
Net Current Assets	35,902	35,307	41,532	47,240	41,036	39,876	40,832	45,159
Appl. of Funds	54,286	52,686	57,501	64,252	60,007	58,593	68,601	77,702

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Basic (INR)								
EPS	11.4	16.4	23.6	25.4	36.3	49.5	55.1	59.5
Cash EPS	15.1	19.8	27.0	29.3	41.7	55.5	61.8	67.1
BV/Share	90.4	99.1	99.1	114.8	147.4	180.1	215.9	253.8
DPS	2.5	4.0	6.5	6.5	12.0	14.0	16.0	18.0
Payout (%)	24.5	29.4	33.0	31.7	39.6	33.9	34.9	36.3
Valuation (x)								
P/E				31.0	21.7	15.9	14.3	13.3
Cash P/E				26.9	18.9	14.2	12.8	11.8
P/BV				6.9	5.4	4.4	3.7	3.1
EV/Sales				2.0	1.9	1.6	1.4	1.3
EV/EBITDA				17.9	14.3	10.7	9.6	8.8
Dividend Yield (%)				0.8	1.5	1.8	2.0	2.3
FCF per share				8.7	51.8	69.0	47.6	34.3
Return Ratios (%)								
RoE	13.4	17.3	23.9	23.8	27.7	30.2	27.8	25.3
RoCE	10.1	12.1	15.1	15.1	20.3	25.9	26.1	24.3
RoIC	10.4	12.5	16.0	16.2	21.1	27.5	28.3	26.4
Working Capital Ratios								
Fixed Asset Turnover (x)	5	4	4	5	4	4	4	4
Asset Turnover (x)	2.1	1.9	1.9	2.1	2.2	2.5	2.3	2.2
Inventory (Days)	75	63	75	89	75	70	75	80
Debtor (Days)	52	59	52	50	48	48	50	50
Govt Subs Receivable (days)	75	93	87	66	64	70	50	50
Creditor (Days)	135	150	162	147	135	145	140	140
Others (Days)								
Working Capital Turnover (Days)	108	122	118	126	112	90	80	84
Leverage Ratio (x)								
Current Ratio	2.0	2.0	2.0	2.1	2.0	1.8	1.7	1.7
Interest Cover Ratio	3	4	6	5	7	19	53	97
Debt/Equity	1.0	0.8	0.9	0.9	0.4	0.1	0.1	0.0

Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
NP/(Loss) Before Tax and EO Items	5,062	7,130	10,387	11,156	13,777	19,374	21,560	23,292
Depreciation	1,061	1,007	991	1,138	1,580	1,743	1,962	2,237
Interest & Finance Charges	1,545	1,690	119	1,783	2,353	1,043	-289	-563
Direct Taxes Paid	-1,716	-2,353	-3,498	-3,709	-3,135	-4,925	-5,427	-5,863
(Inc)/Dec in WC	-3,039	2,195	-7,540	-4,601	4,044	4,476	1,152	-4,042
CF from Operations	2,913	9,669	459	5,768	18,620	21,710	18,958	15,061
Others	0	0	2,174	-504	0	0	0	0
CF from Operating incl EO	2,913	9,669	2,633	5,264	18,620	21,710	18,958	15,061
(inc)/dec in FA	-869	-890	-1,230	-2,731	-3,434	-1,490	-5,014	-5,010
Free Cash Flow	2,044	8,779	1,402	2,534	15,186	20,220	13,943	10,051
(Pur)/Sale of Investments	-275	887	0	0	-105	0	-6,000	-2,000
Others	665	548	2,483	-4,053	1,320	14	693	797
CF from Investments	-479	546	1,253	-6,784	-2,219	-1,476	-10,321	-6,213
Issue of Shares	0	0	167	45	1	0	0	0
Inc/(Dec) in Debt	5,047	-3,983	4,437	2,316	-13,294	-11,000	-500	-2,000
Interest Paid	-2,209	-2,238	-1,801	-2,511	-2,353	-1,043	-404	-234
Dividend Paid	-876	-1,403	-2,813	-2,292	-4,219	-4,922	-5,626	-6,329
Others	-5,517	-2,890	0	0	2,654	47	0	0
CF from Fin. Activity	-3,556	-10,513	-10	-2,441	-17,211	-16,918	-6,529	-8,563
Inc/Dec of Cash	-1,121	-299	3,876	-3,961	-810	3,316	2,107	286
Add: Beginning Balance	3,099	1,977	1,678	5,554	1,593	783	4,099	6,206
Closing Balance	1,977	1,678	5,554	1,593	783	4,099	6,206	6,492

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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