



Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR560      TP: INR574 (+2%)      Neutral**

**LatAm impacted by a delayed season**

**Sales/EBITDA below our estimate, adjusted PAT in line**

- In 3QFY21, UPLL's revenue growth was driven by Europe and India markets, while Latin America saw a decline. Gross margin expanded due to price increase, COGS savings, synergies, and sales of higher margin products. Adjusted PAT growth was aided by a lower tax rate and higher other income.
- We maintain our FY21E/FY22E/FY23E earnings estimate as adjusted PAT came in line with our expectation. Its high debt remains a key concern for the stock. Maintain **Neutral**.

Bloomberg	UPLL IN
Equity Shares (m)	765
M.Cap.(INRb)/(USD\$)	428 / 5.9
52-Week Range (INR)	601 / 240
1, 6, 12 Rel. Per (%)	26/0/-9
12M Avg Val (INR M)	3327

**Financials & Valuations (INR b)**

Y/E Mar	2021E	2022E	2023E
Sales	378.7	411.8	443.4
EBITDA	82.3	92.6	102.0
PAT	31.7	37.5	43.9
EBITDA (%)	21.7	22.5	23.0
EPS (INR)	41.4	49.0	57.4
EPS Gr. (%)	19.0	18.2	17.2
BV/Sh. (INR)	241	425	495

**Ratios**

Net D/E	1.3	1.0	0.8
RoE (%)	18.2	18.8	18.9
RoCE (%)	10.6	11.3	12.3
Payout (%)	20.0	20.0	20.0

**Valuations**

P/E (x)	13.5	11.4	9.8
EV/EBITDA (x)	8.2	7.0	6.1
Div Yield (%)	1.3	1.7	2.0
FCF Yield (%)	6.5	11.2	12.8

**Shareholding pattern (%)**

	Dec-20	Sep-20	Dec-19
Promoter	27.9	27.9	27.9
DII	16.7	16.2	11.5
FII	35.3	37.2	43.5
Others	20.2	18.7	17.2

Note: FII includes depository receipts

**Europe and India aids revenue growth**

- Revenue rose 3% YoY to INR91.3b (v/s our estimate of INR99.5b) in 3QFY21 (volume: +7%, price: +1% and exchange impact: -5%). Gross margin grew 470bp YoY to 54.9% due to price hikes, COGS savings, synergies, and sales of higher margin differentiated and sustainable solutions. EBITDA margin expanded 90bp YoY to 24.2%. EBITDA grew 7% YoY to INR22b (v/s our estimate of INR23.6b).
- Adjusted PAT was up 14% YoY to INR9.4b (v/s our estimate of INR9.1b). In 9MFY21, revenue/EBITDA/adjusted PAT grew 5%/10%/22% YoY.
- **Europe** region grew 30% YoY on: i) strong growth led by Poland, Benelux, Ukraine, Italy, and Spain, ii) strong demand from the newly launched Argos, which is used to stop sprouting in stored potatoes, and iii) launching alternatives to the gaps created by banned products.
- UPLL reported strong (21% YoY) revenue growth in **India** on good herbicide sales in resistant Phalaris infested wheat acres of North India and volume growth in Ferio and Sweep Power (both are non-selective post emergent herbicides for cotton and tea).
- Revenue fell 8% YoY in **LatAm** due to drought in Brazil/Argentina, which delayed planting and currency devaluation in Brazil. Outlook for 4QFY21 remains positive due to spillover demand, higher commodity prices, and recent rains.
- **North America:** Revenue grew 5% YoY, driven by: i) gains in market share, ii) good weather conditions, iii) increased demand for Glufosinate, and iv) strong growth across multiple products (Vigilant, Everest, Manzate, and Interline).
- **RoW** growth of 6% YoY is attributed to normalized season and continued higher demand for Glufosinate. A favorable season led to double-digit growth in Africa, Australia, and New Zealand.

### Highlights from the management commentary

- **Ban of Mancozeb in EU:** For UPLL, the overall share of Mancozeb from the Europe region is very low as a percentage of overall Mancozeb sales across the globe. It has enough products in the pipeline to replace Mancozeb.
- **Capex:** It plans to incur INR17.5b on capex, of this INR15.7b has already been incurred.
- The management has maintained its guidance of 6-8% revenue growth and 10-12% EBITDA growth, which would be driven by a focus on differentiated solutions as well as new product launches. Price increases in local currencies and cost savings will support margin. COGS savings, synergies, and further price increases in local currencies would support margin improvement.

### Valuation and view

- UPLL reported revenue growth of 3% YoY, led by strong growth in Europe and India. It witnessed single-digit growth in RoW and NA during 3QFY21. Revenue from LatAm declined 8% YoY. Higher gross margin and operating leverage led to EBITDA growth of 7% YoY.
- In its 2QFY21 conference call, the management guided at reducing debt by USD700m in 2HFY21. Of this, USD410m of debt has been repaid as on 28 Dec'20. The debt repayment was from its cash balance of INR80b as of Sep'20 as CFO from 1HFY21 was a mere INR1.4b. *The cash balance is aided by issuance of USD denominated senior notes of USD500m in Jun'20.*
- The company has to repay loans worth USD161m (INR11.8b, assuming a USD:INR conversion rate of 73) by the end of FY21.
- It has a current cash balance of INR35.9b as of Dec'20. Thus, cash generation in 4QFY21 would stand critical for debt repayment (in 9MFY21, it generated CFO of INR5.5b).
- Debt repayment and cash generation would stand as a key trigger to watch out for going forward.
- The stock has traded at an average P/E of 13.5x over the last three years on a one-year forward basis. However, we have ascribed 10x P/E (~25% discount to its three-year average) as the high debt is a key concern for the company.
- We maintain our FY21E/FY22E/FY23E earnings estimates as adjusted PAT was in line with our estimates.
- Maintain **Neutral** with a TP of INR574/share.

**Cons.: Quarterly Earning Model (Incl-Arysta)**

(INR M)

Y/E March	FY20				FY21				FY20	FY21	FY21	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
<b>Net Sales</b>	<b>79,060</b>	<b>78,170</b>	<b>88,920</b>	<b>1,11,410</b>	<b>78,330</b>	<b>89,390</b>	<b>91,260</b>	<b>1,19,715</b>	<b>3,57,560</b>	<b>3,78,695</b>	<b>99,497</b>	<b>-8%</b>
YoY Change (%)	91.2	83.6	80.7	30.7	-0.9	14.4	2.6	7.5	63.7	5.9	11.9	
Total Expenditure	62,480	62,760	68,220	89,720	60,540	71,310	69,180	95,397	2,83,180	2,96,427	75,916	
<b>EBITDA</b>	<b>16,580</b>	<b>15,410</b>	<b>20,700</b>	<b>21,690</b>	<b>17,790</b>	<b>18,080</b>	<b>22,080</b>	<b>24,318</b>	<b>74,380</b>	<b>82,268</b>	<b>23,581</b>	<b>-6%</b>
Margins (%)	21.0	19.7	23.3	19.5	22.7	20.2	24.2	20.3	20.8	21.7	23.7	
Depreciation	4,460	4,760	4,950	5,950	5,220	5,330	5,420	6,200	20,120	22,170	5,500	
Interest	3,980	3,810	5,150	1,870	5,510	3,430	7,450	4,500	14,810	20,890	5,000	
Other Income	390	240	200	210	670	750	670	250	1,040	2,340	250	
Exch. diff. on trade rec./payable	60	920	-320	2,650	-1,280	1,410	60	0	3,310	190	0	
<b>PBT before EO expense</b>	<b>8,470</b>	<b>6,160</b>	<b>11,120</b>	<b>11,430</b>	<b>9,010</b>	<b>8,660</b>	<b>9,820</b>	<b>13,868</b>	<b>37,180</b>	<b>41,358</b>	<b>13,331</b>	
Extra-Ord expense	4,120	3,070	750	1,710	1,000	2,110	-780	0	9,650	2,330	0	
<b>PBT</b>	<b>4,350</b>	<b>3,090</b>	<b>10,370</b>	<b>9,720</b>	<b>8,010</b>	<b>6,550</b>	<b>10,600</b>	<b>13,868</b>	<b>27,530</b>	<b>39,028</b>	<b>13,331</b>	
Tax	770	990	1,990	2,110	1,430	1,120	1,090	3,051	5,860	6,691	2,666	
Rate (%)	17.7	32.0	19.2	21.7	17.9	17.1	10.3	22.0	21.3	17.1	20.0	
MI & P/L of Asso. Cos.	730	440	1,370	1,440	1,070	800	1,570	1,668	3,980	5,108	1,572	
<b>Reported PAT</b>	<b>2,850</b>	<b>1,660</b>	<b>7,010</b>	<b>6,170</b>	<b>5,510</b>	<b>4,630</b>	<b>7,940</b>	<b>9,150</b>	<b>17,690</b>	<b>27,230</b>	<b>9,093</b>	
<b>Adj PAT</b>	<b>5,880</b>	<b>4,423</b>	<b>8,233</b>	<b>8,103</b>	<b>6,490</b>	<b>6,653</b>	<b>9,405</b>	<b>9,150</b>	<b>26,638</b>	<b>31,697</b>	<b>9,093</b>	<b>3%</b>
YoY Change (%)	5.4	28.7	34.7	-15.0	10.4	50.4	14.2	12.9	8.0	19.0	10.5	
Margins (%)	7.4	5.7	9.3	7.3	8.3	7.4	10.3	7.6	7.4	8.4	9.1	

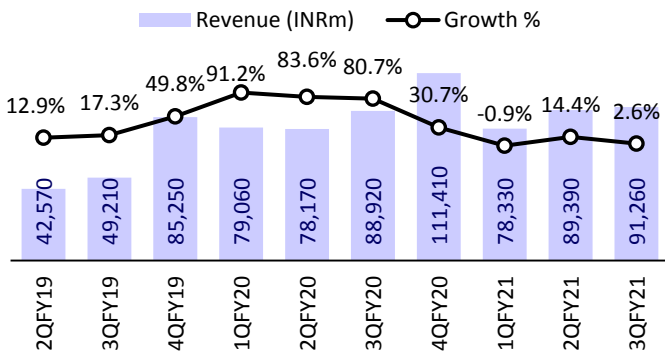
Note: Adjusted PAT = Reported PAT + forex adjustment + exceptional item

**Key Performance Indicators**

Y/E March	FY20				FY21				FY20	FY21
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Consolidated</b>										
<b>Sales Growth Split</b>										
Volume (%)	5.0	15.0	10.0	29.0	0.0	19.0	7.0		16.0	12.0
Price (%)	1.0	-1.0	-1.0	-2.0	-1.0	-1.0	1.0		-1.0	-6.1
Exchange Impact (%)	1.0	-3.0	-2.0	-2.0	0.0	-4.0	-5.0		-2.0	0.0
<b>Cost Break-up</b>										
RM Cost (% of sales)	48.9	49.4	49.8	56.1	45.3	50.4	45.1	52.0	51.5	48.6
Staff Cost (% of sales)	10.9	10.6	8.2	8.7	11.1	10.3	10.4	8.2	9.5	9.8
Other Cost (% of sales)	19.3	20.2	18.7	15.8	20.9	19.0	20.3	19.5	18.3	19.8
Gross Margins (%)	51.1	50.6	50.2	43.9	54.7	49.6	54.9	48.0	48.5	51.4
EBITDA Margins (%)	21.0	19.7	23.3	19.5	22.7	20.2	24.2	20.3	20.8	21.7
EBIT Margins (%)	15.3	13.6	17.7	14.1	16.0	14.3	18.3	15.1	15.2	15.9

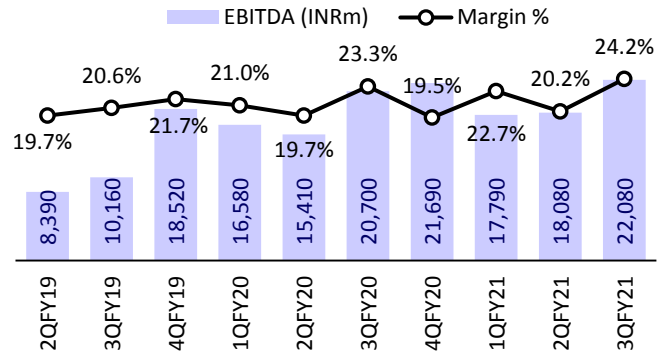
Key exhibits

Exhibit 1: Quarterly revenue trend



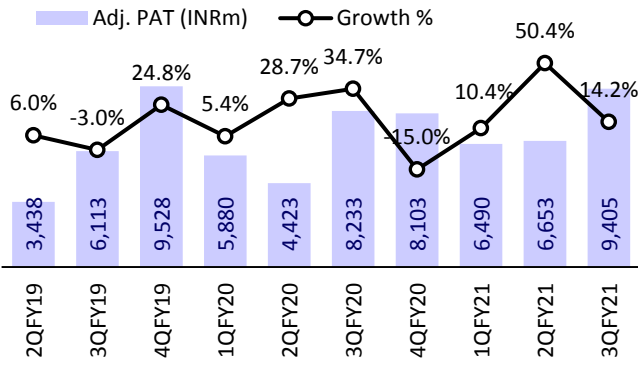
Source: Company, MOFSL

Exhibit 2: Quarterly EBITDA trend



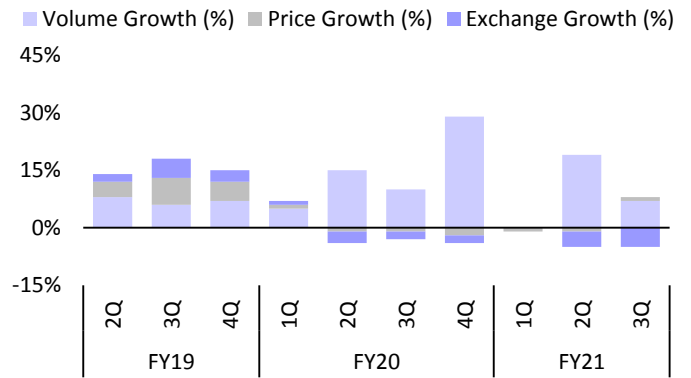
Source: Company, MOFSL

Exhibit 3: Quarterly adjusted PAT trend



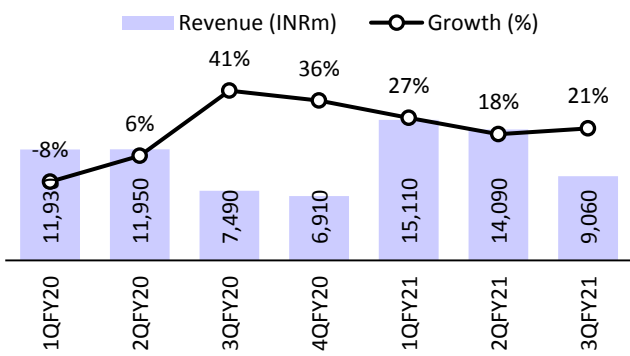
Source: Company, MOFSL

Exhibit 4: Quarterly and annual growth break-up



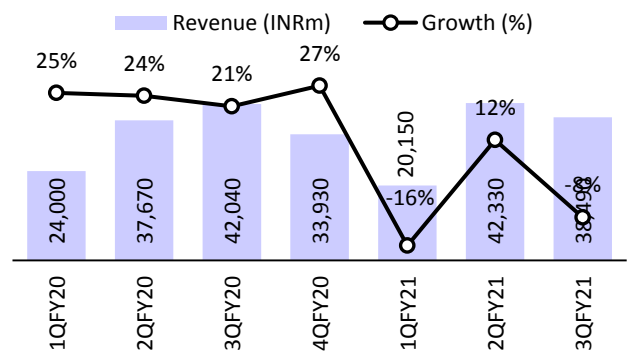
Source: Company, MOFSL

Exhibit 5: Quarterly revenue trend – India



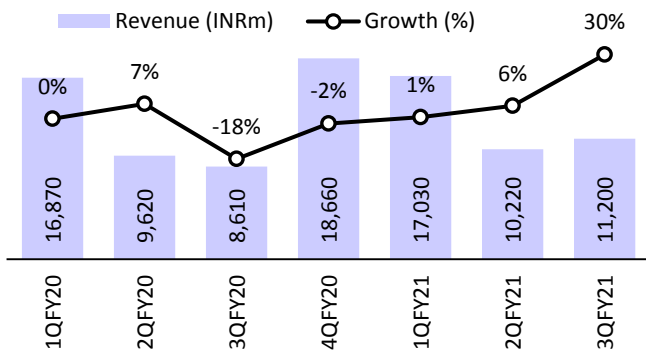
Source: Company, MOFSL

Exhibit 6: Quarterly revenue trend – LatAm



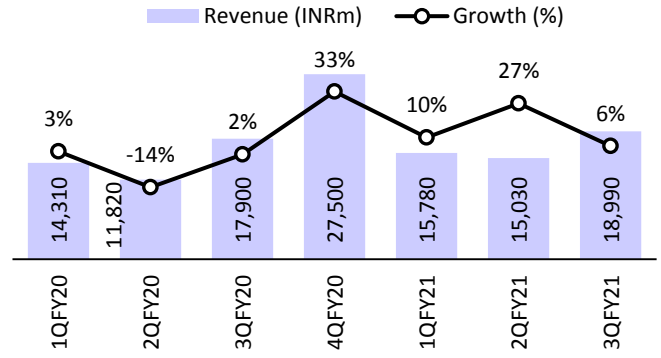
Source: Company, MOFSL

**Exhibit 7: Quarterly revenue trend – Europe**



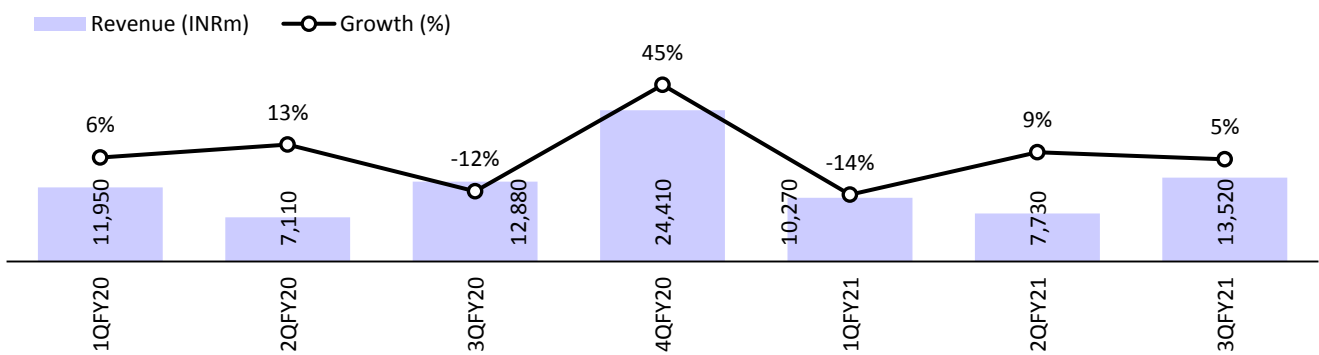
Source: Company, MOFSL

**Exhibit 8: Quarterly revenue trend – RoW**



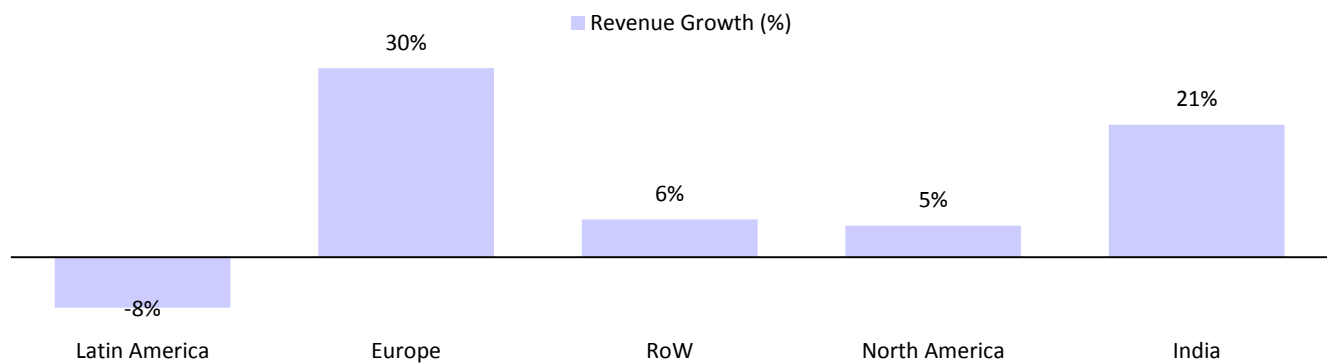
Source: Company, MOFSL

**Exhibit 9: Quarterly revenue trend – North America**



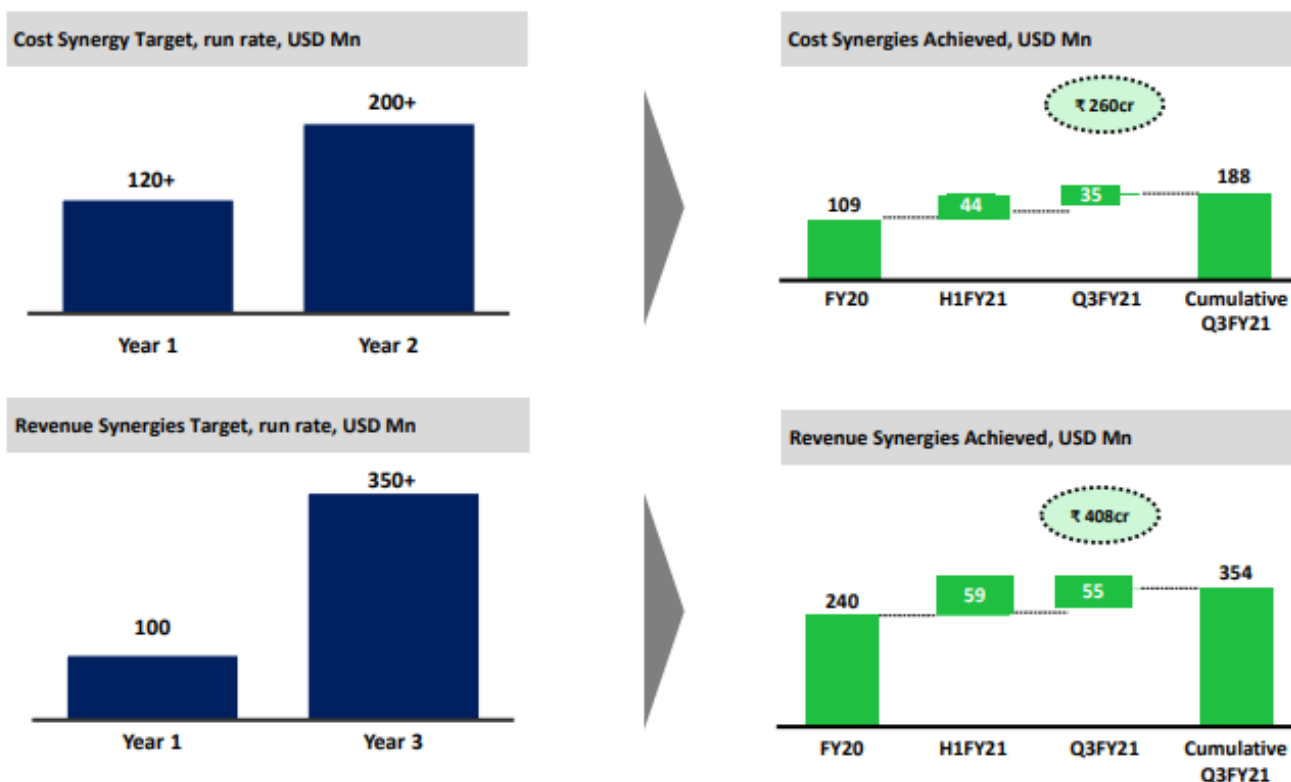
Above charts includes Arysta numbers; Source: Company, MOFSL

**Exhibit 10: Revenue growth by region**



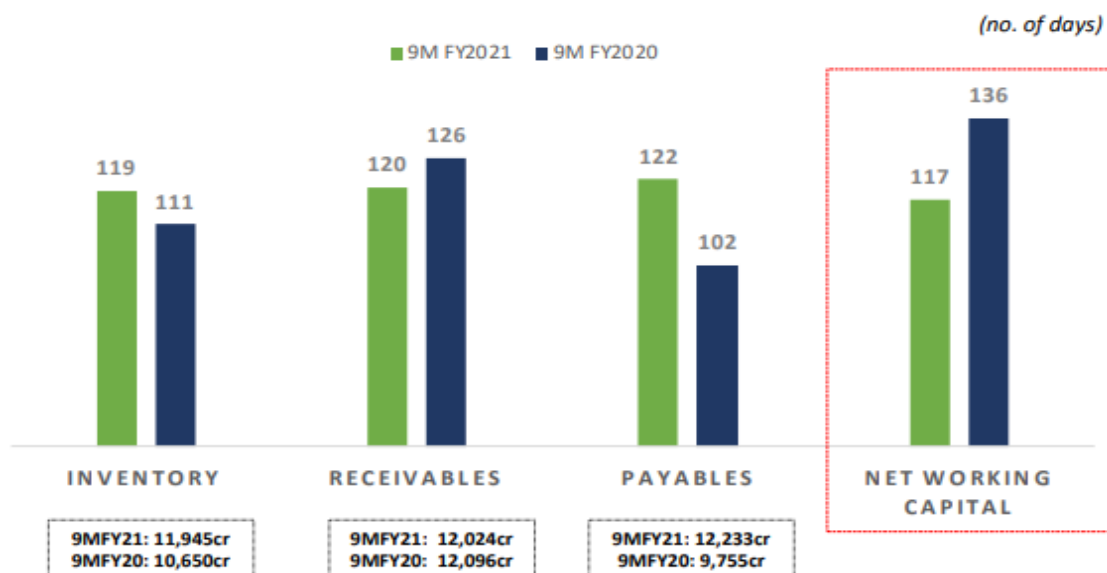
Source: Company, MOFSL

Exhibit 11: Cost and revenue synergy targets and achievements



Source: Company, MOFSL

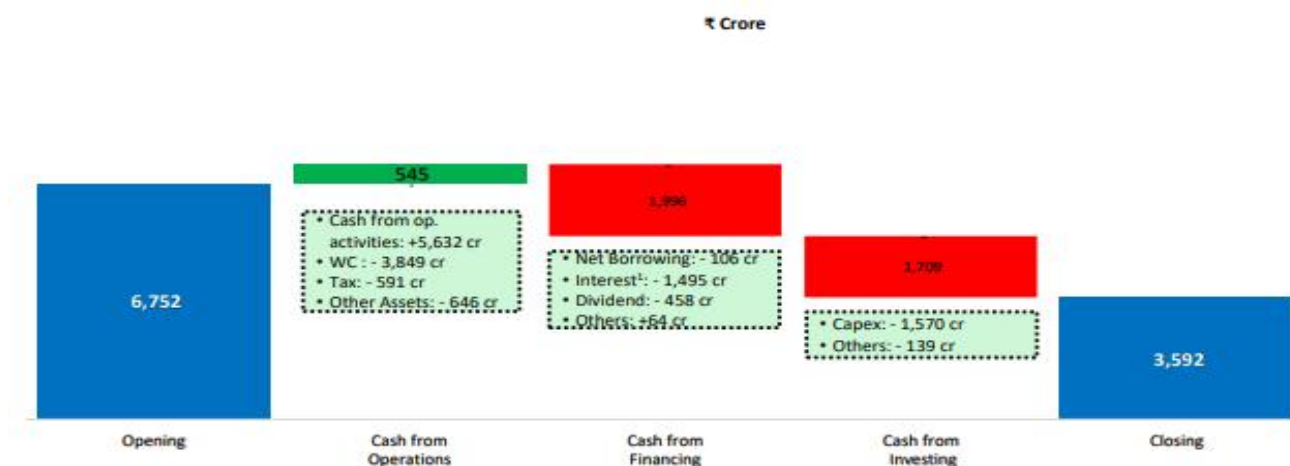
Exhibit 12: Working capital analysis



Note: As a risk management measure, the company has been selling its receivables on non-recourse basis to banks. Receivables sold as of 31<sup>st</sup> Dec 2020 were 4,570 crore (31<sup>st</sup> Dec 2019 3,565 crore)

Source: Company, MOFSL

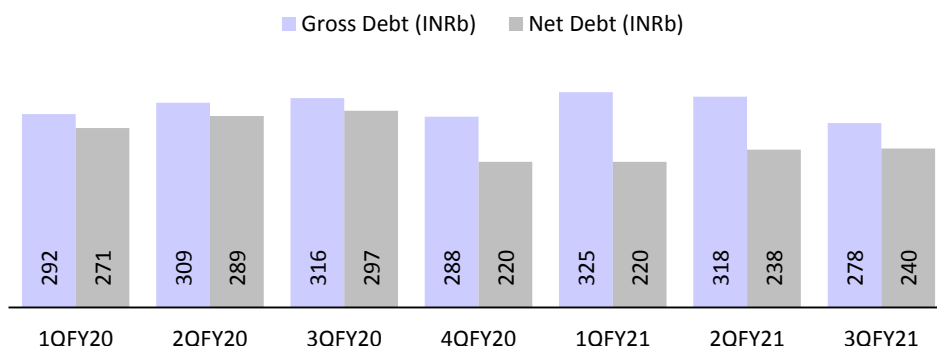
**Exhibit 13: Cash flow statement (1 Apr'20 to 31 Dec'20)**



<sup>1</sup>Interest expense of 1,495 crore including interest component of redeemed bonds including Rs.75 cr. of interest paid upto maturity on early redemption of bonds

Source: Company, MOFSL

**Exhibit 14: Gross and net debt movement**



It excludes perpetual debt of USD400m issued by the company. Source: Company, MOFSL



### Highlights from the conference call

#### Latin America (LatAm)

- Drought in Brazil delayed planting, which led to lower LatAm sales, despite the company having several orders in hand. Due to lower plantation of soya bean, crop prices have jumped sharply.
- Across the board currency devaluation in LatAm countries was partially offset by pricing actions. Excluding foreign exchange loss in Brazil, growth was stable in the region. Going forward, Brazil is expected to perform better as the management expects a good recovery in the region.

#### Europe

- Improved mix driven by strong sales of differentiated and sustainable solutions and moderate post-patent growth.
- The strong growth was led by Poland, Benelux, Ukraine, Italy, and Spain.
- The same was due to launch of new products, namely Argos. The growth was supported by a favorable exchange rate and gain in market share.

- The latter is due to its combined portfolio in soya bean, corn, sugarcane, and key crops in Europe, which led to multiple product offerings in the European region. Both businesses together have increased cross-selling opportunities and provided long-term sustainable growth. The management expects the growth trajectory in Europe to continue going forward.

### India

- The company saw good herbicide sales in resistant Phalaris infested wheat acres of North India.
- Strong sales of Ferio and Sweep Power (both are non-selective post emergent herbicides for cotton and tea) boosted volume growth in 3QFY21.
- Excess rains in the South reduced market growth after a very strong 1HFY21.

### RoW

- Double-digit growth in Africa, Australia and New Zealand benefitted from a normalized season.
- The strong growth in Southeast Asia was supported by continued expansion of Glufosinate in the area.
- Accelerated growth in China was driven by volume gains in branded sales and impact of the Yooloo acquisition.

### North America

- The strong growth in differentiated and sustainable solutions is driving improved margin.
- The management attributed the increased demand for Glufosinate to robust ramp-up of resistant-traits in acres.
- It saw strong growth in Vigilant, Everest, Manzate, and Interline.

### Other highlights

- **Cost and revenue synergies:** The company achieved revenue and cost synergies that it guided at the time of acquisition.
- **Agri-market outlook for FY22** continues to remain positive as commodity prices are robust.
- **RM prices:** Commodity prices (e.g. Methanol, Acetic acid, Ethanol, etc.) have increased sharply and is expected to be stronger in 4QFY21 and 1QFY22. However, raw material prices are likely to soften from 2QFY22. The company has taken appropriate price hikes across its product portfolio.
- **Capex:** It plans to incur INR17.5b on capex, of this INR15.7b has already been incurred.
- **Ban of Mancozeb in EU:** For UPLL, the overall share of Mancozeb from the Europe region is very low as a percentage of overall Mancozeb sales across the globe. It has enough products in the pipeline to replace Mancozeb.

### On financials

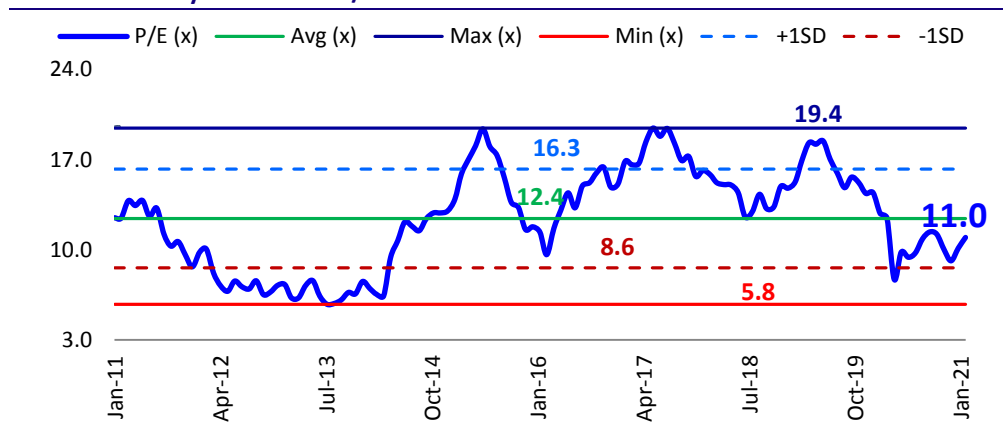
- UPLL plans to reduce net WC days by another 3-4 days by the end of FY21.
- **Excise duty:** Exceptional item includes a provision of INR395m, on account of an unfavorable court order for the industry, pertaining to excise duty liability for Apr'08 to Dec'13 as UPLL has one manufacturing unit in J&K.
- **Interest cost:** Finance cost for 3QFY21 stood at INR7.45b, of which INR4.6b is interest cost. Of this, INR0.75b pertains to interest paid on early payment on bonds maturing in Oct'21 (one-time cost). Adjusting for pre-payment of debt, interest cost reduced on a YoY basis. The balance (INR2.9b) is MTM hedges (which would be reversed going forward) and outstanding contracts.
- Cost of selling receivables for UPLL is LIBOR+200bp.



## Valuation

- UPL reported revenue growth of 3% YoY, led by strong growth in Europe and India. It witnessed single-digit growth in RoW and NA during 3QFY21. Revenue from LatAm declined 8% YoY. Higher gross margin and operating leverage led to EBITDA growth of 7% YoY.
- In its 2QFY21 conference call, the management guided at reducing debt by USD700m in 2HFY21. Of this, USD410m of debt has been repaid as on 28 Dec'20. The debt repayment was from its cash balance of INR80b as of Sep'20 as CFO from 1HFY21 was a mere INR1.4b. The *cash balance is aided by issuance of USD denominated senior notes of USD500m in Jun'20*.
- The company has to repay loans worth USD161m (INR11.8b, assuming a USD:INR conversion rate of 73) by the end of FY21.
- It has a current cash balance of INR35.9b as of Dec'20. Thus, cash generation in 4QFY21 would stand critical for debt repayment (in 9MFY21, it generated CFO of INR5.5b).
- Debt repayment and cash generation would stand as a key trigger to watch out for going forward.
- The stock has traded at an average P/E of 13.5x over the last three years on a one-year forward basis. However, we have ascribed 10x P/E (~25% discount to its three-year average) as the high debt is a key concern for the company.
- We maintain our FY21E/FY22E/FY23E earnings estimates as adjusted PAT was in line with our estimates.
- Maintain **Neutral** with a TP of INR574/share.

Exhibit 15: One-year forward P/E trend



Source: MOFSL

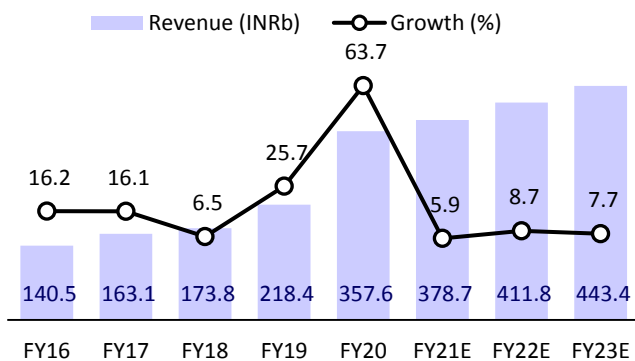
Exhibit 16: Change in estimates

Particulars (INR m)	Old			New			Change		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	3,85,744	4,20,121	4,52,909	3,78,695	4,11,765	4,43,356	-2%	-2%	-2%
EBITDA	84,120	94,527	1,04,169	82,268	92,647	1,01,972	-2%	-2%	-2%
Adj. PAT	32,422	36,199	43,033	31,697	37,462	43,895	-2%	3%	2%

Source: MOFSL

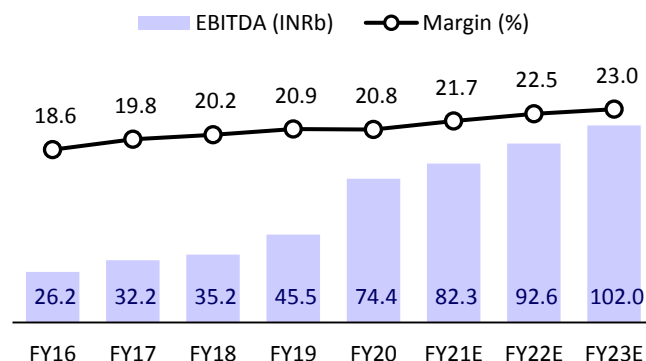
## Story in charts

**Exhibit 17: Expect 8% revenue CAGR over FY21-23E**



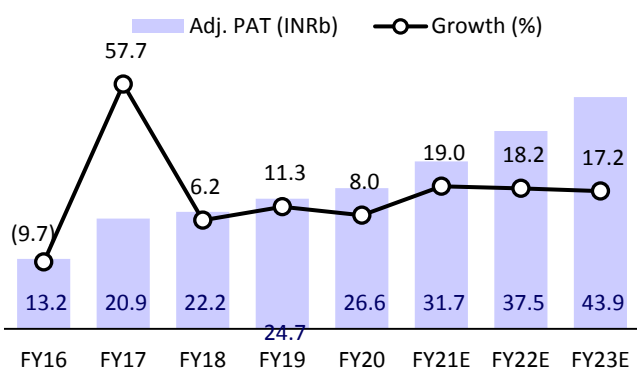
Source: Company, MOFSL

**Exhibit 18: Margin to expand 130bp over FY21-23E**



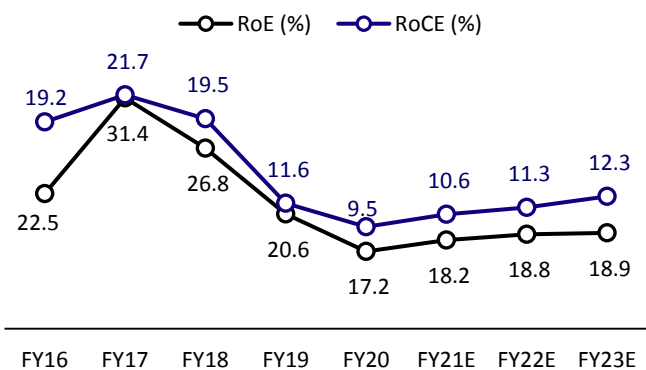
Source: Company, MOFSL

**Exhibit 19: Expect 18% adjusted PAT CAGR over FY21-23E**



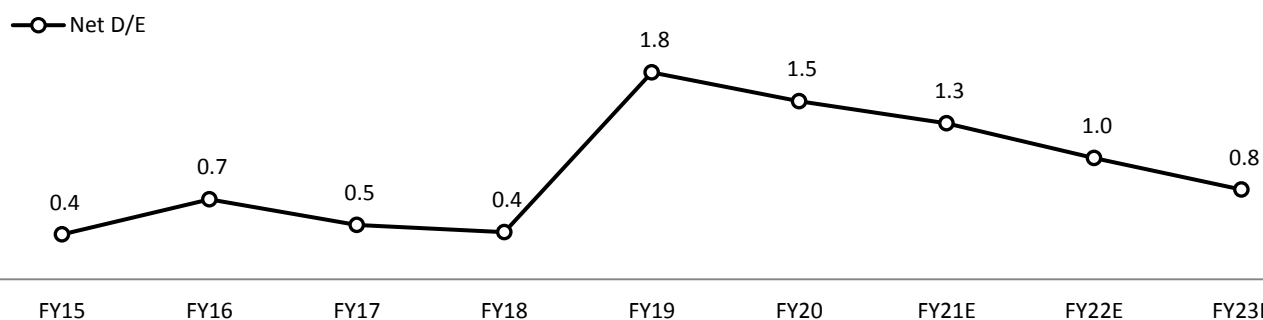
Source: Company, MOFSL

**Exhibit 20: Return ratio trend**



Source: Company, MOFSL

**Exhibit 21: Net D/E to improve (x)**



Source: Company, MOFSL

## Financials and valuations

Consolidated - Income Statement								(INR M)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Total Income from Operations</b>	<b>1,40,480</b>	<b>1,63,120</b>	<b>1,73,780</b>	<b>2,18,370</b>	<b>3,57,560</b>	<b>3,78,695</b>	<b>4,11,765</b>	<b>4,43,356</b>
Change (%)	16.2	16.1	6.5	25.7	63.7	5.9	8.7	7.7
<b>Total Expense</b>	<b>1,14,300</b>	<b>1,30,890</b>	<b>1,38,620</b>	<b>1,72,830</b>	<b>2,83,180</b>	<b>2,96,427</b>	<b>3,19,118</b>	<b>3,41,384</b>
% of Sales	81.4	80.2	79.8	79.1	79.2	78.3	77.5	77.0
<b>EBITDA</b>	<b>26,180</b>	<b>32,230</b>	<b>35,160</b>	<b>45,540</b>	<b>74,380</b>	<b>82,268</b>	<b>92,647</b>	<b>1,01,972</b>
Margin (%)	18.6	19.8	20.2	20.9	20.8	21.7	22.5	23.0
Depreciation	6,760	6,720	6,750	8,800	20,120	22,170	24,197	25,955
<b>EBIT</b>	<b>19,420</b>	<b>25,510</b>	<b>28,410</b>	<b>36,740</b>	<b>54,260</b>	<b>60,098</b>	<b>68,450</b>	<b>76,017</b>
Int. and Finance Charges	7,040	7,350	7,830	9,630	14,810	20,890	16,389	15,014
Other Income	3,160	4,440	4,140	2,400	1,040	2,340	2,471	2,527
Exchange diff on trade rec. & payables	2,230	2,380	110	2,990	3,310	190	0	0
<b>PBT bef. EO Exp.</b>	<b>13,310</b>	<b>20,220</b>	<b>24,610</b>	<b>26,520</b>	<b>37,180</b>	<b>41,358</b>	<b>54,532</b>	<b>63,530</b>
EO Items	1,290	810	630	8,930	9,650	2,330	0	0
<b>PBT after EO Exp.</b>	<b>12,020</b>	<b>19,410</b>	<b>23,980</b>	<b>17,590</b>	<b>27,530</b>	<b>39,028</b>	<b>54,532</b>	<b>63,530</b>
Total Tax	1,650	1,890	2,750	1,980	5,860	6,691	11,452	13,341
Tax Rate (%)	13.7	9.7	11.5	11.3	21.3	17.1	21.0	21.0
Share of (profit)/loss of ass. & JV	850	190	930	-140	-30	-73	-80	-88
Minority Interest	120	60	80	840	4,010	5,181	5,699	6,382
<b>Reported PAT</b>	<b>9,400</b>	<b>17,270</b>	<b>20,220</b>	<b>14,910</b>	<b>17,690</b>	<b>27,230</b>	<b>37,462</b>	<b>43,895</b>
<b>Adjusted PAT</b>	<b>13,238</b>	<b>20,878</b>	<b>22,163</b>	<b>24,658</b>	<b>26,638</b>	<b>31,697</b>	<b>37,462</b>	<b>43,895</b>
Change (%)	-9.7	57.7	6.2	11.3	8.0	19.0	18.2	17.2
Margin (%)	9.4	12.8	12.8	11.3	7.4	8.4	9.1	9.9

Consolidated - Balance Sheet								(INR M)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Equity Share Capital	860	1,010	1,020	1,020	1,530	1,530	1,530	1,530
Total Reserves	20,060	72,140	90,670	1,46,130	1,61,430	1,83,214	2,13,183	2,48,299
<b>Net Worth</b>	<b>58,890</b>	<b>73,970</b>	<b>91,690</b>	<b>1,47,150</b>	<b>1,62,960</b>	<b>1,84,744</b>	<b>2,14,713</b>	<b>2,49,829</b>
Minority Interest	440	330	190	34,540	33,120	38,301	43,999	50,381
Total Loans	52,580	63,610	66,380	2,91,360	2,88,120	2,78,120	2,58,120	2,28,120
Perpetual bonds	0	0	0	0	29,860	29,860	29,860	29,860
<b>Total Loans (Including Perpetual bond)</b>	<b>52,580</b>	<b>63,610</b>	<b>66,380</b>	<b>2,91,360</b>	<b>3,17,980</b>	<b>3,07,980</b>	<b>2,87,980</b>	<b>2,57,980</b>
Deferred Tax Liabilities	-3,900	-5,010	-4,410	21,970	27,770	27,770	27,770	27,770
<b>Capital Employed</b>	<b>1,08,010</b>	<b>1,32,900</b>	<b>1,53,850</b>	<b>4,95,020</b>	<b>5,41,830</b>	<b>5,58,794</b>	<b>5,74,462</b>	<b>5,85,961</b>
Gross Block	93,150	96,060	1,06,340	2,30,310	2,59,590	2,84,924	3,05,241	3,27,804
Less: Accum. Deprn.	58,700	59,540	66,290	75,090	95,210	1,17,380	1,41,577	1,67,532
<b>Net Fixed Assets</b>	<b>34,450</b>	<b>36,520</b>	<b>40,050</b>	<b>1,55,220</b>	<b>1,64,380</b>	<b>1,67,544</b>	<b>1,63,664</b>	<b>1,60,273</b>
Goodwill on Consolidation	4,170	4,190	4,320	1,66,270	1,82,410	1,82,410	1,82,410	1,82,410
Capital WIP	4,840	7,920	13,190	18,550	20,730	12,896	12,579	15,016
<b>Total Investments</b>	<b>3,350</b>	<b>3,780</b>	<b>10,340</b>	<b>7,080</b>	<b>5,580</b>	<b>5,580</b>	<b>5,580</b>	<b>5,580</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>1,17,980</b>	<b>1,44,700</b>	<b>1,57,240</b>	<b>2,84,540</b>	<b>3,27,730</b>	<b>3,35,985</b>	<b>3,74,287</b>	<b>3,99,071</b>
Inventory	37,870	41,560	45,380	91,330	78,500	81,662	93,206	1,00,159
Account Receivables	51,000	56,560	60,570	1,16,790	1,18,670	1,19,315	1,35,375	1,45,761
Cash and Bank Balance	11,890	28,950	28,940	28,510	67,520	59,269	63,353	64,480
Loans and Advances	17,220	17,630	22,350	47,910	63,040	75,739	82,353	88,671
<b>Curr. Liability &amp; Prov.</b>	<b>56,780</b>	<b>64,210</b>	<b>71,290</b>	<b>1,36,640</b>	<b>1,59,000</b>	<b>1,45,621</b>	<b>1,64,057</b>	<b>1,76,389</b>
Account Payables	39,620	48,850	56,750	94,230	1,02,330	1,05,858	1,20,822	1,29,836
Other Current Liabilities	16,120	14,270	13,430	33,770	55,320	37,869	41,177	44,336
Provisions	1,040	1,090	1,110	8,640	1,350	1,893	2,059	2,217
<b>Net Current Assets</b>	<b>61,200</b>	<b>80,490</b>	<b>85,950</b>	<b>1,47,900</b>	<b>1,68,730</b>	<b>1,90,364</b>	<b>2,10,229</b>	<b>2,22,682</b>
<b>Appl. of Funds</b>	<b>1,08,010</b>	<b>1,32,900</b>	<b>1,53,850</b>	<b>4,95,020</b>	<b>5,41,830</b>	<b>5,58,794</b>	<b>5,74,462</b>	<b>5,85,961</b>

## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>17.3</b>	<b>27.3</b>	<b>29.0</b>	<b>32.2</b>	<b>34.8</b>	<b>41.4</b>	<b>49.0</b>	<b>57.4</b>
Cash EPS	26.1	36.1	37.8	43.7	61.1	70.4	122.1	138.3
BV/Share	77.0	96.7	119.9	192.4	213.0	241.5	425.2	494.7
DPS	5.0	7.0	5.3	5.3	6.0	7.1	9.8	11.5
Payout (%)	40.7	31.0	20.0	27.1	25.9	20.0	20.0	20.0
<b>Valuation (x)</b>								
P/E				17.4	16.1	13.5	11.4	9.8
Cash P/E				12.8	9.2	8.0	4.6	4.0
P/BV				2.9	2.6	2.3	1.3	1.1
EV/Sales				3.2	1.9	1.8	1.6	1.4
EV/EBITDA				15.2	9.1	8.2	7.0	6.1
Dividend Yield (%)				0.9	1.1	1.3	1.7	2.0
FCF per share				-350.0	51.9	36.6	62.6	71.7
<b>Return Ratios (%)</b>								
RoE	22.5	31.4	26.8	20.6	17.2	18.2	18.8	18.9
RoCE	19.2	21.7	19.5	11.6	9.5	10.6	11.3	12.3
RoIC	21.4	25.7	26.1	12.0	9.6	10.7	11.1	12.1
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	1.5	1.7	1.6	0.9	1.4	1.3	1.3	1.4
Inventory (Days)	204	194	204	319	156	162	162	162
Debtor (Days)	133	127	127	195	121	115	120	120
Creditor (Days)	213	228	255	329	203	210	210	210
<b>Leverage Ratio (x)</b>								
Net Debt (incl perpetual bonds)/Equity	0.7	0.5	0.4	1.8	1.5	1.3	1.0	0.8

### Consolidated - Cash Flow Statement

(INR M)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
OP/(Loss) before Tax	13,310	20,220	24,610	26,520	37,180	41,358	54,532	63,530
Depreciation	6,760	6,720	6,750	8,800	20,120	22,170	24,197	25,955
Interest & Finance Charges	6,350	5,850	7,830	9,630	14,810	20,890	16,389	15,014
Direct Taxes Paid	-5,030	-4,040	-2,750	-1,980	-5,860	-6,691	-11,452	-13,341
(Inc)/Dec in WC	-7,040	-1,210	-5,470	-10,480	30,710	-29,885	-15,781	-11,327
<b>CF from Operations</b>	<b>14,350</b>	<b>27,540</b>	<b>30,970</b>	<b>32,490</b>	<b>96,960</b>	<b>47,842</b>	<b>67,885</b>	<b>79,831</b>
Others	-390	-850	-630	-8,930	-9,650	-2,330	0	0
<b>CF from Operating incl EO</b>	<b>13,960</b>	<b>26,690</b>	<b>30,340</b>	<b>23,560</b>	<b>87,310</b>	<b>45,512</b>	<b>67,885</b>	<b>79,831</b>
(Inc)/Dec in FA	-6,930	-8,270	-15,680	-2,91,280	-47,600	-17,500	-20,000	-25,000
<b>Free Cash Flow</b>	<b>7,030</b>	<b>18,420</b>	<b>14,660</b>	<b>-2,67,720</b>	<b>39,710</b>	<b>28,012</b>	<b>47,885</b>	<b>54,831</b>
(Pur)/Sale of Investments	800	120	-6,560	3,260	1,500	0	0	0
Others	-10,728	-2,040	2,810	-21,180	19,670	0	0	0
<b>CF from Investments</b>	<b>-16,858</b>	<b>-10,190</b>	<b>-19,430</b>	<b>-3,09,200</b>	<b>-26,430</b>	<b>-17,500</b>	<b>-20,000</b>	<b>-25,000</b>
Issue of Shares	0	0	-810	0	510	0	0	0
Inc/(Dec) in Debt	12,840	10,790	2,770	2,24,980	-3,240	-10,000	-20,000	-30,000
Interest Paid	-5,860	-7,950	-7,830	-9,630	-14,810	-20,890	-16,389	-15,014
Dividend Paid	-2,290	-2,280	-4,040	-4,040	-4,590	-5,446	-7,492	-8,779
Others	0	0	-1,010	73,900	260	73	80	88
<b>CF from Fin. Activity</b>	<b>4,690</b>	<b>560</b>	<b>-10,920</b>	<b>2,85,210</b>	<b>-21,870</b>	<b>-36,263</b>	<b>-43,801</b>	<b>-53,705</b>
<b>Inc/Dec of Cash</b>	<b>1,792</b>	<b>17,060</b>	<b>-10</b>	<b>-430</b>	<b>39,010</b>	<b>-8,251</b>	<b>4,084</b>	<b>1,127</b>
Opening Balance	10,098	11,890	28,950	28,940	28,510	67,520	59,269	63,353
<b>Closing Balance</b>	<b>11,890</b>	<b>28,950</b>	<b>28,940</b>	<b>28,510</b>	<b>67,520</b>	<b>59,269</b>	<b>63,353</b>	<b>64,480</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
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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website [www.motilaloswal.com](http://www.motilaloswal.com).CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai-400 064. Tel No: 022 7188 1000.

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