

Estimate change



TP change



Rating change



Bloomberg	GOAGRO IN
Equity Shares (m)	192
M.Cap.(INRb)/(USDb)	118.9 / 1.6
52-Week Range (INR)	747 / 470
1, 6, 12 Rel. Per (%)	-2/-2/-13
12M Avg Val (INR M)	185

### Financials & Valuations (INR b)

Y/E Mar	2022E	2023E	2024E
Sales	78.5	84.1	94.8
EBITDA	6.6	7.5	8.4
PAT	3.8	4.5	5.3
EBITDA (%)	8.4	8.9	8.9
EPS (INR)	19.7	23.6	27.5
EPS Gr. (%)	20.4	20.2	16.5
BV/Sh. (INR)	118	133	151

### Ratios

Net D/E	0.4	0.3	0.2
RoE (%)	17.5	18.9	19.4
RoCE (%)	12.6	14.0	15.2
Payout (%)	43.2	38.1	32.7

### Valuations

P/E (x)	31.5	26.2	22.5
EV/EBITDA (x)	20.1	17.5	15.3
Div Yield (%)	1.4	1.5	1.5
FCF Yield (%)	1.2	2.5	2.4

### Shareholding pattern (%)

	Sep-21	Jun-21	Sep-20
Promoter	71.6	71.7	70.1
DII	1.5	1.3	2.0
FII	2.9	2.8	15.4
Others	24.0	24.2	12.6

Note: FII includes depository receipts

**CMP: INR619**
**TP: INR755 (+22%)**
**Buy**

## Higher commodity prices weigh on performance

### In line revenue, EBITDA/adjusted PAT below our estimate

- GOAGRO reported an in line revenue with robust growth (25%). EBITDA came in below our estimate due to gross margin pressure, led by higher commodity prices. EBIT margin witnessed a contraction across segments, except Palm Oil, which was aided by higher prices.
- We reduce our FY22E/FY23E earnings estimate by 9%/8%, factoring in its 2QFY22 performance. We value the stock on a SoTP basis to arrive at our TP of INR755 per share. We maintain our **Buy** rating.

### Margin contracts across segments, except Palm Oil

- Consolidated revenue grew 25% YoY to INR21.5b (est. INR21.3b). EBITDA margin contracted by 120bp YoY to 8.8% (est. 10.4%) due to a gross margin contraction of 230bp. EBITDA stood at INR1,904m, up 10% YoY (est. INR2,216m). Adjusted PAT rose 2.1% YoY to INR1,093m (est. INR1,427m).
- **Animal Feed business:** Revenue grew 49% YoY in 2QFY22 (to INR11.3b), owing to growth in all feed categories (i.e. cattle, broiler and layer) and price hikes. EBIT margin contracted by 120bp to 5.1%, as profitability of the Aqua Feed business was adversely impacted by its limited ability to pass on the raw material price increase. EBIT grew 21% to INR576m. EBIT/kg stood flat YoY (-15% QoQ) at INR1.7/kg.
- Revenue/EBIT for the **Palm Oil business** surged 37%/89% YoY to INR4,014m/INR781m. The prices of crude palm oil (CPO)/palm kernel oil (PKO) increased by 55%/76% YoY, which aided the strong growth in revenue and profitability.
- The **Crop Protection business** fell 23%/30% YoY to INR2.6b/INR521m. **Sales/EBIT** in the standalone business declined by 13%/24% YoY due to an erratic monsoon, resulting in lower sowing, which was further impacted by steep inflation in raw material prices.
- **Dairy business:** Revenue grew 10% YoY to INR2.8b, aided by 38% growth in value added products. EBITDA declined by 63% YoY to INR41m due to increase in milk procurement costs, which could not be absorbed as there was no price hike taken by competition.
- Revenue/EBITDA/adjusted PAT grew 26%/6%/10% in 1HFY22. Higher investment in working capital led to negative CFO of INR1.4b in 1HFY22 v/s INR4.1b (positive) in 1HFY21.

### Highlights from the management commentary

- **Astec Lifesciences:** New Herbicide plant has been commissioned in 2QFY22 and commercial production has started. The plant is expected to reach optimum utilization levels in three months. Some of these products are expected to be exported in the next few months.
- GOAGRO was able to pass-on the increase in RM prices with a minor lag. The company has 3-4 months of soya and protein inventory (low cost), which aided its quarterly performance.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

 Motilal Oswal research is available on [www.motilalosal.com/Institutional-Equities](http://www.motilalosal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **Astec Lifesciences:** Revenue/EBITDA declined by 34%/30% YoY due to closure of the plant on account of floods for ~15 days and global container shortage, which limited its ability to ship goods on time, resulting in deferment of sales.

#### Valuation and view

- The Crop Protection business is likely to do well going forward, due to: a) product launches in the standalone business (over the next 1-2 years), b) correction in RM prices, with an improvement in logistics operations, c) better performance in Astec Lifesciences owing to its expertise in triazole chemistry, and c) commencement of a new Herbicide plant.
- Performance in the Animal Feed segment was affected due to lower demand from the HORECA segment due to the COVID-19 outbreak and increase in commodity prices. Going forward, it is expected to deliver a better performance v/s FY21 on a low base.
- We reduce our FY22E/FY23E earnings estimate by 9%/8%, factoring in its 2QFY22 performance. We value the stock on a SoTP basis to arrive at our TP of INR755 per share. We maintain our **Buy** rating.

#### Consolidated quarterly earnings model

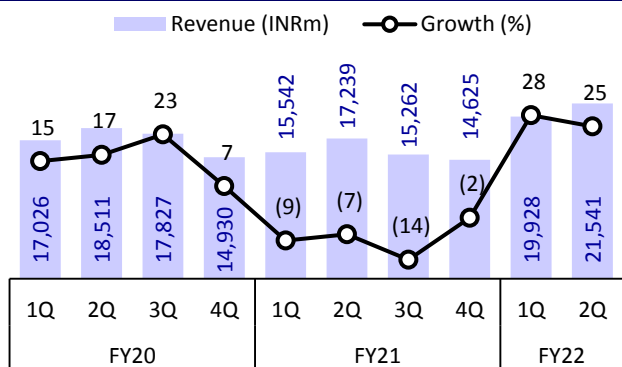
Y/E March	FY21				FY22				(INR m)			Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY21	FY22	FY22 2QE	
<b>Gross Sales</b>	<b>15,542</b>	<b>17,239</b>	<b>15,262</b>	<b>14,625</b>	<b>19,928</b>	<b>21,541</b>	<b>19,338</b>	<b>17,692</b>	<b>62,667</b>	<b>78,498</b>	<b>21,297</b>	<b>1</b>
YoY Change (%)	-8.7	-6.9	-14.4	-2.0	28.2	25.0	26.7	21.0	-8.2	25.3	23.5	
Total Expenditure	13,882	15,508	14,137	13,502	18,232	19,636	17,884	16,162	57,029	71,915	19,081	
<b>EBITDA</b>	<b>1,659</b>	<b>1,732</b>	<b>1,124</b>	<b>1,122</b>	<b>1,695</b>	<b>1,904</b>	<b>1,453</b>	<b>1,530</b>	<b>5,638</b>	<b>6,583</b>	<b>2,216</b>	<b>-14</b>
Margins (%)	10.7	10.0	7.4	7.7	8.5	8.8	7.5	8.6	9.0	8.4	10.4	
Depreciation	366	391	390	393	408	424	430	440	1,540	1,701	420	
Interest	128	96	63	178	130	156	150	175	465	612	100	
Other Income	83	83	131	99	104	56	137	104	396	402	87	
<b>PBT before EO expense</b>	<b>1,248</b>	<b>1,328</b>	<b>802</b>	<b>651</b>	<b>1,262</b>	<b>1,381</b>	<b>1,011</b>	<b>1,019</b>	<b>4,029</b>	<b>4,672</b>	<b>1,784</b>	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>1,248</b>	<b>1,328</b>	<b>802</b>	<b>651</b>	<b>1,262</b>	<b>1,381</b>	<b>1,011</b>	<b>1,019</b>	<b>4,029</b>	<b>4,672</b>	<b>1,784</b>	
Tax	338	345	220	152	327	376	254	256	1,055	1,214	449	
Rate (%)	27.1	26.0	27.4	23.3	26.0	27.2	25.2	25.2	26.2	26.0	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	25	-88	-34	-67	-126	-87	-36	-71	-164	-319	-92	
<b>Reported PAT</b>	<b>885</b>	<b>1,070</b>	<b>616</b>	<b>566</b>	<b>1,060</b>	<b>1,093</b>	<b>792</b>	<b>833</b>	<b>3,137</b>	<b>3,777</b>	<b>1,427</b>	
<b>Adj PAT</b>	<b>885</b>	<b>1,070</b>	<b>616</b>	<b>566</b>	<b>1,060</b>	<b>1,093</b>	<b>792</b>	<b>833</b>	<b>3,137</b>	<b>3,777</b>	<b>1,427</b>	<b>-23</b>
YoY Change (%)	16.5	2.9	19.4	191.4	19.7	2.1	28.6	47.2	25.0	20.4	33.3	
Margins (%)	5.7	6.2	4.0	3.9	5.3	5.1	4.1	4.7	5.0	4.8	6.7	

**Key performance indicators**

Y/E March	FY21				FY22				FY21	FY22
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Segment Revenue Gr. (%)</b>										
Animal Feed (AF)	-15.5	-18.8	-22.7	-9.3	33.9	48.8	38.6	27.7	(16.8)	37.1
Palm Oil	8.2	23.9	-16.6	7.9	83.5	36.9	35.0	35.0	5.4	46.5
Crop Protection	11.9	-2.6	1.3	6.2	15.1	-22.9	6.7	8.2	4.0	0.8
Dairy	-26.2	-15.4	-10.1	-0.3	12.7	9.7	5.0	3.0	(13.5)	7.4
<b>Segment EBIT Margin (%)</b>										
Animal Feed	6.4	6.2	4.9	7.1	6.4	5.1	5.0	6.4	6.2	5.7
Palm Oil	4.1	14.1	16.3	7.4	11.3	19.5	16.5	8.0	11.8	15.4
Crop Protection	26.3	22.4	16.1	20.3	22.4	20.3	15.0	15.0	21.8	20.4
Dairy	1.4	1.6	2.6	-1.3	-3.9	-1.2	2.0	1.0	1.0	(0.5)
<b>AF Volumes (000'MT)</b>	<b>268</b>	<b>280</b>	<b>293</b>	<b>296</b>	<b>317</b>	<b>338</b>	<b>351</b>	<b>341</b>	<b>1,136</b>	<b>869</b>
<b>AF Realization (INR/kg)</b>	<b>27.9</b>	<b>27.2</b>	<b>26.8</b>	<b>27.0</b>	<b>31.6</b>	<b>33.6</b>	<b>30.9</b>	<b>30.0</b>	<b>27.2</b>	<b>31.5</b>
<b>Cost Break-up</b>										
RM Cost (% of sales)	72.8	73.2	74.2	74.0	75.8	75.5	74.1	74.0	73.5	74.9
Staff Cost (% of sales)	5.9	5.7	6.5	5.9	5.1	4.9	5.4	5.1	6.0	5.1
Other Cost (% of sales)	10.6	11.0	12.0	12.5	10.5	10.8	13.0	12.2	11.5	11.6
Gross Margins (%)	27.2	26.8	25.8	26.0	24.2	24.5	25.9	26.0	26.5	25.1
EBITDA Margins (%)	10.7	10.0	7.4	7.7	8.5	8.8	7.5	8.6	9.0	8.4
EBIT Margins (%)	8.3	7.8	4.8	5.0	6.5	6.9	5.3	6.2	6.5	6.2

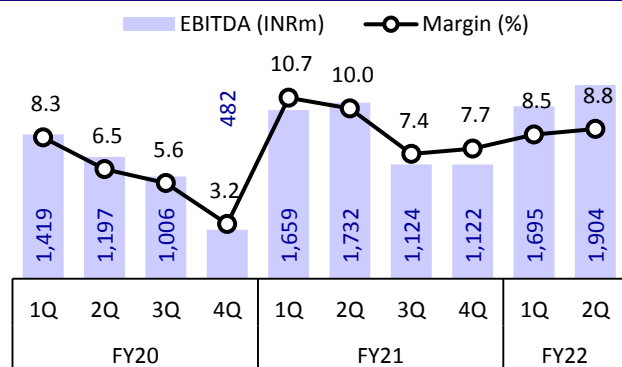
**Key exhibits**

**Exhibit 1: Consolidated revenue trend**



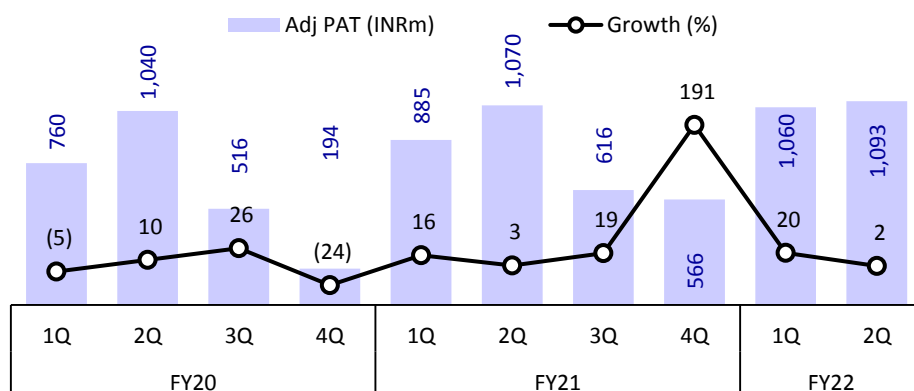
Source: Company, MOFSL

**Exhibit 2: Consolidated EBITDA trend**



Source: Company, MOFSL

**Exhibit 3: Consolidated adjusted PAT trend**



Source: Company, MOFSL

**Exhibit 4: Animal Feed business**

Particulars	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22
Volume (MT)	3,24,035	3,32,301	3,50,290	2,94,215	2,67,749	2,79,906	2,92,539	2,96,116	3,16,838	3,37,609
Growth (%)	6.5	9.2	8.0	(11.3)	(17.4)	(15.8)	(16.5)	0.6	18.3	20.6
Revenue (INRm)	8,850	9,387	10,130	8,811	7,480	7,623	7,833	7,995	10,013	11,341
Growth (%)	20.0	31.9	32.3	(0.1)	(15.5)	(18.8)	(22.7)	(9.3)	33.9	48.8
EBIT (INRm)	424	431	350	332	481	476	382	568	637	576
Margin (%)	4.8	4.6	3.5	3.8	6.4	6.2	4.9	7.1	6.4	5.1
Growth (%)	17.2	91.1	47.5	(27.9)	13.5	10.6	9.1	71.0	32.5	21.0

Source: Company, MOFSL

**Exhibit 5: Consolidated Crop Protection**

Particulars	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22
Revenue (INRm)	2,866	3,416	2,180	2,501	3,208	3,328	2,209	2,656	3,692	2,566
Growth (%)	11.6	7.0	(5.4)	38.1	11.9	(2.6)	1.3	6.2	15.1	(22.9)
EBIT (INRm)	768	678	381	483	844	745	356	539	829	521
Margin (%)	26.8	19.8	17.5	19.3	26.3	22.4	16.1	20.3	22.4	20.3
Growth (%)	0.8	(16.1)	(7.5)	46.1	10.0	9.9	(6.5)	11.6	(1.9)	(30.0)

Source: Company, MOFSL

**Exhibit 6: Standalone Crop Protection**

Particulars	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22
Revenue (INRm)	2,093	2,002	912	670	2,082	1,763	1,035	935	2,405	1,540
Growth (%)	9.4	(2.2)	(15.7)	48.2	(0.5)	(11.9)	13.5	39.6	15.5	(12.6)
EBIT (INRm)	744	550	185	59	604	495	228	207	640	376
Margin (%)	35.5	27.5	20.3	8.8	29.0	28.1	22.0	22.1	26.6	24.4
Growth (%)	6.0	(7.1)	(15.1)	(33.7)	(18.8)	(10.0)	23.2	250.8	6.0	(24.0)

Source: Company, MOFSL

**Exhibit 7: Astec Lifesciences**

Particulars	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22
Revenue (INRm)	770	1,420	1,248	1,802	1,119	1,550	1,160	1,719	1,287	1,026
Growth (%)	18.5	23.9	(31.1)	34.7	45.4	9.2	(7.1)	(4.6)	15.0	(33.8)
EBITDA (INRm)	73	171	248	479	295	314	189	397	255	220
Margin (%)	9.5	12.0	19.9	26.6	26.4	20.3	16.3	23.1	19.8	21.4
Growth (%)	(20.7)	(32.4)	(22.3)	66.3	304.1	83.6	(23.8)	(17.1)	(13.6)	(29.9)

Source: Company, MOFSL

**Exhibit 8: Palm Oil business**

Particulars	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22
Revenue (INRm)	1,454	2,366	2,250	665	1,574	2,932	1,878	717	2,888	4,014
Growth (%)	(13.6)	(11.2)	24.2	4.9	8.2	23.9	(16.6)	7.9	83.5	36.9
EBIT (INRm)	127	288	436	43	65	414	305	53	326	781
Margin (%)	8.7	12.2	19.4	6.5	4.1	14.1	16.3	7.4	11.3	19.5
Growth (%)	(64.6)	(37.2)	36.7	(4,009.1)	(48.9)	44.0	(30.0)	23.3	403.6	88.5

Source: Company, MOFSL

**Exhibit 9: Dairy business**

Particulars	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22
Revenue (INRm)	3,204	3,063	2,855	2,808	2,365	2,590	2,567	2,801	2,665	2,841
Growth (%)	2.4	2.2	2.7	5.0	(26.2)	(15.4)	(10.1)	(0.3)	12.7	9.7
EBITDA (INRm)	138	91	72	21	103	112	138	35	(31)	41
Margin (%)	4.3	3.0	2.5	0.7	4.4	4.3	5.4	1.2	(1.2)	1.4
Growth (%)	122.6	54.2	(59.8)	(83.5)	(25.4)	23.1	91.7	66.7	(130.1)	(63.4)
EBIT (INRm)	66	-2	-7	-58	33	41	68	-36	-105	-35
Margin (%)	2.1	(0.1)	(0.2)	(2.1)	1.4	1.6	2.6	(1.3)	(3.9)	(1.2)
Growth (%)	3,220.0	(52.6)	(106.0)	(254.0)	(50.2)	NA	NA	NA	NA	NA

Source: Company, MOFSL



## Highlights from the management commentary

### Palm oil

- **Oil prices:** Prices are higher in the oil palm segment. Higher revenue is not only due to increased prices but also due to improvement in oil extraction ratio. Prices are expected to remain at elevated level till Mar-Apr'22.
- Volume contribution from 2HFY22 is expected to be in the range of 38% (v/s average run-rate of 30%) as spillover in volumes is expected due to delayed rains.
- Oil extraction ratio stood at 17.75% in 1HFY22 vs 16.81% in 1HFY21. OER of 19% in 2QFY22 vs 17.33% in 2QFY21.
- FFBs (fresh fruit bunches) arrival stood at 5.7lakh-MT in FY20.
- Strong performance was driven by higher yields achieved through focus on increasing efficiencies and higher end-product prices. Prices of crude palm oil and palm kernel oil increased by 55% and 76%, respectively, in 2QFY22 (compared to the same period previous year).
- 8-10% volume increase in FFB will be clocked in FY23.
- Currently, GOAGRO has capacity of processing 180MT-fruits/hour, however, the plants are fully utilized for a period of 100 days, partly for 100 days and are shut for 125-130 days; and the rest period is for maintenance. Capacity is sufficient to meet palm oil requirement of up to 6lac-MT (till FY23), post that company will plan on capacity expansion.

### Dairy

- Institutional sales have been severely affected which in-turn impacted segment's performance; as GOAGRO had higher dependence on institutional sales. However, the demand is gradually improving and is expected to bounce back in the near term.
- **Milk procurement:** 700,000litres of milk is procured per day by GOAGRO of which 17-18% is directly procured from farmers. Another 50% is procured through company's collection centers and 30% is procured through agents and other suppliers (on a fixed cost plus margins basis).
- Increase in volumes of milk and value added products aided increase in segment revenue by 9.7% in 2QFY22. Revenue from value added products grew by 38.2% YoY in 2QFY22 over the corresponding previous period. EBITDA margins improved in 2QFY22 after a challenging first quarter but were lower than EBITDA margins for 2QFY21 on account of higher milk procurement prices.
- Launched 'Fruit Yogurt' in 2QFY22 which has received encouraging initial response.

### Animal Feed

- Improvement in cattle feed segment is due to gain in market share from small/unorganized players.
- EBIT/MT in the Animal segment increased to INR1,855/MT in 2QFY22 (v/s INR1,748/MT in 2QFY21). Going forward, company plans to maintain the EBIT/MT at similar levels.
- Segment results registered a healthy growth of 21% YoY in 2QFY22 supported by realisation of R&D benefits, introduction of new products and strategic raw material stocking.

### Crop Protection

- Erratic and inconsistent rainfall throughout the quarter reduced application opportunities for agrochemical products and reduced consumption. This resulted in de-growth in segment revenues by 13%.
- Margins were further impacted adversely as steep inflation in raw material prices could not be fully absorbed resulting in lower margins in Pesticides. Consequently, segment results decreased by 24% in 2QFY22.

### Astec

- Performance for the quarter was marred by closure of plant for ~15 days due to unprecedented floods.
- Also, global shortage of containers limited the ability to ship goods timely and adversely impacted revenue and EBITDA margins.

### Godrej Tyson Foods

- Segment revenue registered a healthy growth of 40% in 2QFY22 supported by higher volumes and improved realizations in Live Bird category.

### Other highlights

- GOAGRO was able to pass-on the increase in RM prices with a minor lag. Company had inventory of 3-4 months of soya and protein (low cost inventory), which also benefitted its quarterly performance.
- **Astec:** New herbicide plant has been commissioned during the quarter and commercial production has started. The plant is expected to reach optimum utilization levels in the 3 months and some of the products are expected to be exported in the next few months.

### Valuation and view

- The Crop Protection business is likely to do well going forward, due to: a) product launches in the standalone business (over the next 1-2 years), b) correction in RM prices, with an improvement in logistics operations, c) better performance in Astec Lifesciences owing to its expertise in triazole chemistry, and c) commencement of a new Herbicide plant.
- Performance in the Animal Feed segment was affected due to lower demand from the HORECA segment due to the COVID-19 outbreak and increase in commodity prices. Going forward, it is expected to deliver a better performance v/s FY21 on a low base.
- We reduce our FY22E/FY23E earnings estimate by 9%/8%, factoring in its 2QFY22 performance. We value the stock on a SoTP basis to arrive at our TP of INR755 per share. We maintain our **Buy** rating.

**Exhibit 10: Valuation**

Particulars	EBITDA FY24E (INRm)	EV/ EBITDA (x)	EV (INRm)	Net Debt (INRm)	Equity Value (INRm)	GOAGRO's share (%)	Value (INRm)	Value/ share (INR)	% Share
<b>Standalone:</b>									
Crop Protection	1,950	17	33,152		33,152	100%	33,152	173	23%
Palm Oil	1,994	17	33,890		33,890	100%	33,890	176	23%
Animal Feed	3,451	17	58,668		58,668	100%	58,668	306	40%
Unallocated expenses	(1,707)	6	(10,243)		(10,243)	100%	(10,243)	(53)	-7%
<b>Total</b>	<b>5,688</b>	<b>20</b>	<b>1,15,467</b>	<b>5,220</b>	<b>1,10,248</b>	<b>100%</b>	<b>1,10,248</b>	<b>574</b>	<b>76%</b>
<b>Subsidiaries:</b>									
Astec (mcap with 20% holdco disc)					21,038	57%	12,086	63	8%
Creamline Dairy	584	15	8,992	(96)	9,088	52%	4,718	25	3%
Godrej Tyson Foods Limited & Others	862	18	15,509		15,509	51%	7,909	41	5%
<b>JV/ Associate:</b>									
ACI Godrej Agrovet Private Limited	1,261	16	20,171		20,171	50%	10,086	53	7%
<b>Total</b>	<b>8,394</b>	<b>19</b>	<b>1,60,139</b>		<b>1,76,053</b>			<b>755</b>	<b>100%</b>

Source: MOFSL

**Exhibit 11: Changes to our estimates**

Earnings Change (INR m)	Old		New		Change	
	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Revenue	78,111	89,485	78,498	84,093	0%	-6%
EBITDA	6,876	7,955	6,583	7,475	-4%	-6%
Adj. PAT	4,161	4,928	3,777	4,540	-9%	-8%

Source: MOFSL

## Financials and valuations

### Consolidated - Income Statement

(INR M)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Total Income from Operations</b>	<b>37,550</b>	<b>49,264</b>	<b>52,059</b>	<b>59,177</b>	<b>68,294</b>	<b>62,667</b>	<b>78,498</b>	<b>84,093</b>	<b>94,847</b>
Change (%)	13.4	31.2	5.7	13.7	15.4	-8.2	25.3	7.1	12.8
<b>Total Expenditure</b>	<b>34,585</b>	<b>44,884</b>	<b>47,629</b>	<b>54,619</b>	<b>64,189</b>	<b>57,029</b>	<b>71,915</b>	<b>76,617</b>	<b>86,415</b>
% of Sales	92.1	91.1	91.5	92.3	94.0	91.0	91.6	91.1	91.1
<b>EBITDA</b>	<b>2,965</b>	<b>4,380</b>	<b>4,430</b>	<b>4,558</b>	<b>4,104</b>	<b>5,638</b>	<b>6,583</b>	<b>7,475</b>	<b>8,431</b>
Margin (%)	7.9	8.9	8.5	7.7	6.0	9.0	8.4	8.9	8.9
Depreciation	524	747	859	982	1,481	1,540	1,701	1,862	2,021
<b>EBIT</b>	<b>2,441</b>	<b>3,633</b>	<b>3,571</b>	<b>3,577</b>	<b>2,624</b>	<b>4,098</b>	<b>4,882</b>	<b>5,614</b>	<b>6,411</b>
Int. and Finance Charges	977	863	453	339	416	465	612	521	431
Other Income	627	590	318	531	468	396	402	505	569
<b>PBT bef. EO Exp.</b>	<b>2,091</b>	<b>3,360</b>	<b>3,436</b>	<b>3,769</b>	<b>2,675</b>	<b>4,029</b>	<b>4,672</b>	<b>5,597</b>	<b>6,549</b>
EO Items	946	200	121	883	682	0	0	0	0
<b>PBT after EO Exp.</b>	<b>3,037</b>	<b>3,560</b>	<b>3,557</b>	<b>4,652</b>	<b>3,357</b>	<b>4,029</b>	<b>4,672</b>	<b>5,597</b>	<b>6,549</b>
Total Tax	754	1,018	1,207	1,280	481	1,055	1,214	1,409	1,648
Tax Rate (%)	24.8	28.6	33.9	27.5	14.3	26.20	25.98	25.2	25.2
Profit from Associate & MI	-356	55	57	82	-185	-164	-319	-351	-386
<b>Reported PAT</b>	<b>2,639</b>	<b>2,487</b>	<b>2,292</b>	<b>3,290</b>	<b>3,062</b>	<b>3,137</b>	<b>3,777</b>	<b>4,540</b>	<b>5,287</b>
<b>Adjusted PAT</b>	<b>1,693</b>	<b>2,287</b>	<b>2,172</b>	<b>2,407</b>	<b>2,510</b>	<b>3,137</b>	<b>3,777</b>	<b>4,540</b>	<b>5,287</b>
Change (%)	-2.5	35.1	-5.1	10.9	4.3	25.0	20.4	20.2	16.5
Margin (%)	4.5	4.6	4.2	4.1	3.7	5.0	4.8	5.4	5.6

### Consolidated - Balance Sheet

(INR M)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Equity Share Capital	926	1,851	1,920	1,920	1,920	1,921	1,921	1,921	1,921
Total Reserves	6,906	8,237	12,193	14,570	16,461	18,590	20,736	23,547	27,105
<b>Net Worth</b>	<b>7,832</b>	<b>10,088</b>	<b>14,114</b>	<b>16,490</b>	<b>18,381</b>	<b>20,511</b>	<b>22,656</b>	<b>25,468</b>	<b>29,026</b>
Minority Interest	2,323	2,541	2,693	4,010	3,825	4,103	4,259	4,431	4,621
Total Loans	13,757	6,641	4,098	3,950	6,185	9,428	9,428	7,928	6,428
Deferred Tax Liabilities	1,458	1,663	1,730	2,086	1,751	1,713	1,713	1,713	1,713
<b>Capital Employed</b>	<b>25,369</b>	<b>20,933</b>	<b>22,635</b>	<b>26,536</b>	<b>30,142</b>	<b>35,755</b>	<b>38,056</b>	<b>39,540</b>	<b>41,788</b>
Gross Block	12,139	14,109	15,185	21,246	23,812	26,551	29,182	31,859	34,394
Less: Accum. Deprn.	564	1,329	2,214	3,196	4,677	6,217	7,918	9,779	11,800
<b>Net Fixed Assets</b>	<b>11,575</b>	<b>12,779</b>	<b>12,971</b>	<b>18,050</b>	<b>19,136</b>	<b>20,334</b>	<b>21,265</b>	<b>22,079</b>	<b>22,594</b>
Goodwill on Consolidation	1,949	1,949	1,949	2,649	2,649	2,649	2,649	2,649	2,649
Capital WIP	638	504	1,904	936	1,532	1,414	1,783	1,607	1,571
<b>Total Investments</b>	<b>2,140</b>	<b>1,755</b>	<b>1,952</b>	<b>1,165</b>	<b>1,292</b>	<b>1,237</b>	<b>1,237</b>	<b>1,237</b>	<b>1,237</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>14,930</b>	<b>15,157</b>	<b>16,749</b>	<b>19,542</b>	<b>22,392</b>	<b>22,355</b>	<b>27,485</b>	<b>29,432</b>	<b>33,245</b>
Inventory	6,665	7,381	7,629	9,517	9,436	10,419	12,807	13,644	15,389
Account Receivables	4,545	5,219	6,315	7,349	8,539	8,226	10,323	11,059	12,473
Cash and Bank Balance	420	538	299	299	508	509	430	525	640
Loans and Advances	3,299	2,019	2,507	2,378	3,910	3,200	3,925	4,205	4,742
<b>Curr. Liability &amp; Prov.</b>	<b>5,862</b>	<b>11,212</b>	<b>12,890</b>	<b>15,807</b>	<b>16,859</b>	<b>12,235</b>	<b>16,362</b>	<b>17,464</b>	<b>19,508</b>
Account Payables	3,349	8,408	9,550	12,394	12,885	7,326	10,837	11,545	13,021
Other Current Liabilities	2,312	2,496	2,955	2,934	3,467	4,206	4,945	5,298	5,786
Provisions	202	308	385	478	507	703	580	621	701
<b>Net Current Assets</b>	<b>9,067</b>	<b>3,946</b>	<b>3,859</b>	<b>3,736</b>	<b>5,533</b>	<b>10,120</b>	<b>11,123</b>	<b>11,968</b>	<b>13,737</b>
<b>Appl. of Funds</b>	<b>25,369</b>	<b>20,933</b>	<b>22,635</b>	<b>26,536</b>	<b>30,142</b>	<b>35,755</b>	<b>38,056</b>	<b>39,540</b>	<b>41,788</b>



## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>8.8</b>	<b>11.9</b>	<b>11.3</b>	<b>12.5</b>	<b>13.1</b>	<b>16.3</b>	<b>19.7</b>	<b>23.6</b>	<b>27.5</b>
Cash EPS	11.5	15.8	15.8	17.6	20.8	24.4	28.5	33.3	38.1
BV/Share	40.8	52.5	73.5	85.9	95.7	106.8	118.0	132.6	151.2
DPS	2.1	4.5	4.5	4.5	5.5	8.0	8.5	9.0	9.0
Payout (%)	18.8	41.9	45.6	31.6	41.5	49.0	43.2	38.1	32.7
<b>Valuation (x)</b>									
P/E		52.0	54.7	49.4	47.4	37.9	31.5	26.2	22.5
Cash P/E		39.2	39.2	35.1	29.8	25.4	21.7	18.6	16.3
P/BV		11.8	8.4	7.2	6.5	5.8	5.2	4.7	4.1
EV/Sales		2.6	2.4	2.1	1.9	2.1	1.7	1.6	1.4
EV/EBITDA		29.1	28.3	27.8	31.3	23.4	20.1	17.5	15.3
Dividend Yield (%)		0.7	0.7	0.7	0.9	1.3	1.4	1.5	1.5
FCF per share		36.6	5.7	9.0	-1.2	-13.7	7.5	15.6	14.7
<b>Return Ratios (%)</b>									
RoE	23.8	25.5	17.9	15.7	14.4	16.1	17.5	18.9	19.4
RoCE	13.2	15.7	14.7	15.4	11.8	12.2	12.6	14.0	15.2
RoIC	11.3	12.9	12.9	12.2	8.8	10.2	10.8	11.9	12.9
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	3.1	3.5	3.4	2.8	2.9	2.4	2.7	2.6	2.8
Asset Turnover (x)	1.5	2.4	2.3	2.2	2.3	1.8	2.1	2.1	2.3
Inventory (Days)	65	55	53	59	50	61	60	59	59
Debtor (Days)	44	39	44	45	46	48	48	48	48
Creditor (Days)	33	62	67	76	69	43	50	50	50
<b>Leverage Ratio (x)</b>									
Current Ratio	2.5	1.4	1.3	1.2	1.3	1.8	1.7	1.7	1.7
Interest Cover Ratio	2.5	4.2	7.9	10.6	6.3	8.8	8.0	10.8	14.9
Net Debt/Equity	1.6	0.6	0.3	0.2	0.3	0.4	0.4	0.3	0.2

### Consolidated - Cash Flow Statement

(INR M)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
OP/(Loss) before Tax	3,364	3,727	3,717	4,773	3,486	4,029	4,672	5,597	6,549
Depreciation	524	747	859	982	1,481	1,540	1,701	1,862	2,021
Interest & Finance Charges	885	715	453	339	416	69	210	16	-138
Direct Taxes Paid	-456	-800	-837	-1,097	-969	-1,055	-1,214	-1,409	-1,648
(Inc)/Dec in WC	-1,024	5,145	-471	633	-2,204	-4,601	-926	-578	-1,464
<b>CF from Operations</b>	<b>3,293</b>	<b>9,534</b>	<b>3,721</b>	<b>5,629</b>	<b>2,210</b>	<b>-18</b>	<b>4,443</b>	<b>5,488</b>	<b>5,319</b>
Others	-1,610	-561	-183	-1,152	188	0	0	0	0
<b>CF from Operating incl EO</b>	<b>1,683</b>	<b>8,973</b>	<b>3,538</b>	<b>4,477</b>	<b>2,398</b>	<b>-18</b>	<b>4,443</b>	<b>5,488</b>	<b>5,319</b>
(Inc)/Dec in FA	-1,223	-1,949	-2,448	-2,759	-2,634	-2,621	-3,000	-2,500	-2,500
<b>Free Cash Flow</b>	<b>460</b>	<b>7,024</b>	<b>1,091</b>	<b>1,719</b>	<b>-236</b>	<b>-2,639</b>	<b>1,443</b>	<b>2,988</b>	<b>2,819</b>
(Pur)/Sale of Investments	581	610	-131	0	0	55	0	0	0
Others	-3,581	366	51	386	82	693	878	1,028	1,145
<b>CF from Investments</b>	<b>-4,223</b>	<b>-974</b>	<b>-2,528</b>	<b>-2,372</b>	<b>-2,552</b>	<b>-1,873</b>	<b>-2,122</b>	<b>-1,472</b>	<b>-1,355</b>
Issue of Shares	39	8	2	0	0	0	0	0	0
Inc/(Dec) in Debt	4,168	-7,027	-2,571	-680	2,311	3,243	0	-1,500	-1,500
Interest Paid	-972	-861	-455	-354	-390	-465	-612	-521	-431
Dividend Paid	-452	0	-1,045	-1,076	-1,076	-1,536	-1,632	-1,728	-1,728
Others	0	0	2,818	4	-481	650	-157	-172	-189
<b>CF from Fin. Activity</b>	<b>2,784</b>	<b>-7,881</b>	<b>-1,250</b>	<b>-2,105</b>	<b>364</b>	<b>1,893</b>	<b>-2,400</b>	<b>-3,921</b>	<b>-3,848</b>
<b>Inc/Dec of Cash</b>	<b>244</b>	<b>119</b>	<b>-240</b>	<b>0</b>	<b>210</b>	<b>1</b>	<b>-80</b>	<b>95</b>	<b>116</b>
Opening Balance	175	419	538	299	299	508	509	430	525
<b>Closing Balance</b>	<b>419</b>	<b>538</b>	<b>299</b>	<b>299</b>	<b>508</b>	<b>509</b>	<b>430</b>	<b>525</b>	<b>640</b>

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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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