

UltraTech Cement

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	UTCEM IN
Equity Shares (m)	288
M.Cap.(INRb)/(USDb)	1846.8 / 22.2
52-Week Range (INR)	8267 / 5158
1, 6, 12 Rel. Per (%)	-1/-7/-7
12M Avg Val (INR M)	2957

Financial Snapshot (INR b)

Y/E MARCH	FY23E	FY24E	FY25E
Sales	614	650	708
EBITDA	109	130	145
Adj. PAT	53	64	76
EBITDA Margin (%)	18	20	21
Adj. EPS (INR)	182	223	262
EPS Gr. (%)	(7)	23	18
BV/Sh. (INR)	1,891	2,074	2,294

Ratios

Net D:E	0.1	0.0	(0.1)
RoE (%)	10.0	11.2	12.0
RoCE (%)	9.2	10.5	11.3
Payout (%)	20.9	17.9	16.0

Valuations

P/E (x)	35.2	28.7	24.4
P/BV (x)	3.4	3.1	2.8
EV/EBITDA(x)	17.3	14.2	12.4
EV/ton (USD)	173	170	142
Div. Yield (%)	0.6	0.6	0.7
FCF Yield (%)	0.7	2.5	3.1

Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	60.0	60.0	60.0
DII	18.2	16.4	14.4
FII	13.2	14.1	16.7
Others	8.6	9.5	9.0

FII Includes depository receipts

CMP: INR6,398 **TP: INR7,510 (+17%)** **Buy**

Soft quarter; energy prices remain volatile

Higher other operating income helped beat estimates

- UTCEM reported consol. EBITDA of INR18.7b v/s estimated INR16.8b and EBITDA/t of INR808 v/s estimated INR723, driven by higher 'other operating income' (up INR65/t QoQ). Profit was at INR7.6b v/s estimated INR5.9b.
- The management expects demand to recover post the festive season. Though energy cost has peaked out in 2Q, petcoke price remains volatile and has increased to USD205/t, after declining to USD165-170/t in Aug/Sep'22.
- UTCEM remains best placed to benefit from demand recovery, helped by its consistent capacity additions plans. Cost-savings initiatives (higher green energy; scope for reducing lead distance, etc.) should help structural cost improvement. We reiterate our BUY rating on the stock.

Volume in-line with estimate; grey cement realization down 3% QoQ

- Consolidated revenue/EBITDA/PAT stood at INR139b/INR19b/INR7.6b (+16%/-31%/-42% YoY and 4%/11%/28% above our estimates). Volume grew 7% YoY to 23.1mt (in-line with estimates). RMC revenue was up 44% YoY.
- Grey cement realization was up 6% YoY (down 3% QoQ). Blended realization rose 8% YoY (down 1% QoQ) and was 4% above estimates due to higher 'other operating income'. Opex/t increased 21% YoY (and 8% QoQ), led by 39%/7%/9% increase in variable/freight/other costs.
- Higher costs led to 9pp YoY drop in OPM to 13.4% and 36% YoY decline in EBITDA/t. 'Other income' was up 35% QoQ and interest expense declined 13% YoY/7% QoQ.
- Revenue grew 22% YoY in 1HFY23, backed by a 9%/12% YoY rise in blended realization/volume. Opex/t increased 21% YoY, leading to 18% YoY drop in EBITDA to INR50b and ~8pp YoY decline in OPM to 17%. Profit declined 22% YoY to INR23b.
- OCF in 1HFY23 declined 76% YoY to INR8.3b, due to lower profitability and a sharp increase in working capital. FCF turned negative at (INR23b) in 1HFY23 v/s INR13b in 1HFY22 as capex stood at INR31b in 1HFY23 v/s INR21b in 1HFY22.

Highlights from the management commentary

- Cement demand is expected to pick up post the festive season and volume growth should be in double-digits in FY23/24. Prices should improve going forward to mitigate the impact of sustained cost pressures.
- Given the geo-political tension, coal prices are likely to remain at an elevated level. The company has ~55days of coal/petcoke inventory v/s normal levels of 45days.
- Net debt increased to INR83.6b in Sept'22 v/s INR55.6b in Jun'22 on account of higher capex and working capital. The management expects capex to be INR60-70b in FY23 and INR60b in FY24/FY25.

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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.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Capex plans to drive earnings; reiterate BUY

- UTCEM is expanding grinding capacity domestically to 131mtpa/154mtpa by FY23E/FY25-26E which offers the company strong growth visibility. We expect sales volume growth of ~9% in FY23/24.
- Increase in WHRS/Solar capacities (Green power usage to increase to 36% by FY25 v/s 20% in 2QFY23) along with the scope of reducing lead distance with better capacity planning will help manage cost.
- Strong balance sheet (net debt to EBITDA stood at 0.77x v/s 3x in FY19) will help the company to pursue growth opportunities.
- The stock trades at 14.2x/12.4x FY24E/FY25E EV/EBITDA (v/s its 10-year average one-year forward EV/EBITDA of 15.4x). We reiterate our Buy rating on the stock by valuing it at 15.5x Sep'24E EV/EBITDA (v/s Jun'24 earlier). Our TP of INR7,510 offers an upside of 17% from CMP.

Consolidated quarterly performance

	FY22				FY23				FY22	FY23E	FY23 Var.	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net sales	118.3	120.2	129.8	157.7	151.6	138.9	147.3	176.1	526.0	613.9	134.1	4
YoY change (%)	54.2	15.7	5.9	9.5	28.2	15.6	13.4	11.7	17.6	16.7	11.6	
Total expenditure	85.2	93.0	105.7	126.9	120.7	120.3	123.7	140.6	410.8	505.2	117.3	3
EBITDA	33.1	27.1	24.2	30.7	30.9	18.7	23.6	35.5	115.1	108.7	16.8	11
Margin (%)	28.0	22.6	18.6	19.5	20.4	13.4	16.0	20.2	21.9	17.7	12.5	
Depreciation	6.6	6.8	6.7	7.0	7.0	7.1	7.3	7.7	27.1	29.0	7.1	(0)
Interest	3.3	2.3	1.8	2.1	2.2	2.0	2.0	2.0	9.4	8.1	2.1	(3)
Other income	2.0	1.4	0.7	0.9	1.1	1.5	1.1	1.6	5.1	5.2	0.9	56
PBT before EO expense	25.3	19.5	16.3	22.6	22.9	11.0	15.4	27.4	83.6	76.8	8.6	29
PBT after EO Expense	25.3	19.5	16.3	22.6	22.9	11.0	15.4	27.4	83.6	76.8	8.6	29
Tax	8.3	6.4	-0.8	-2.0	7.1	3.4	4.8	9.0	11.9	24.4	2.7	30
Rate (%)	32.7	32.7	-4.7	-8.8	31.0	31.2	31.0	33.0	14.2	31.7	31.0	
Reported PAT	17.0	13.1	17.1	24.5	15.8	7.6	10.6	18.3	71.7	52.4	5.9	29
Minority interest	-30.9	-32.7	16.6	-70.5	-74.6	44.6	-11.0	-69.4	117.5	-110.4	-11.0	
Adj. PAT	17.0	13.1	11.7	14.8	15.9	7.6	10.7	18.4	56.7	52.5	5.9	28
YoY change (%)	91.7	8.0	-25.7	-18.5	-6.7	-42.5	-9.1	24.5	3.1	-7.3	-54.9	

Key operating parameters

Income Statement (INR/t)	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY22	FY23E	FY23 Var.
											2QE (%)
Volume (mt)	21.53	21.64	23.13	27.69	25.04	23.10	24.65	29.67	94.01	102.45	23.22 (1)
Change (YoY %)	47.0	7.9	-3.1	-0.3	16.3	6.7	6.6	7.1	8.8	9.0	7.3
Realization (including RMC)	5,495	5,553	5,614	5,694	6,056	6,014	5,975	5,936	5,595	5,992	5,773 4
Change (YoY %)	4.9	7.2	9.3	9.8	10.2	8.3	6.4	4.3	8.1	7.1	4.0
RM cost	674	799	891	984	912	873	922	1,110	847	963	953 (8)
Power and fuel	1,127	1,165	1,393	1,433	1,603	1,861	1,741	1,460	1,291	1,653	1,753 6
Staff cost	272	314	278	227	254	299	272	230	270	262	277 8
Freight and forwarding	1,230	1,235	1,256	1,256	1,314	1,318	1,287	1,267	1,246	1,295	1,283 3
Other expenditure	656	785	750	685	737	855	796	672	716	759	784 9
Total expenditure	3,958	4,299	4,568	4,585	4,820	5,206	5,018	4,740	4,370	4,931	5,050 3
EBITDA	1,536	1,254	1,046	1,110	1,236	808	957	1,196	1,225	1,061	723 12
YoY change (%)	8.3	(6.7)	(19.5)	(16.5)	(19.5)	(35.6)	(8.5)	7.8	(8.5)	(13.4)	(42.3)

Sources: Company reports, MOFSL estimates



Highlights from the management commentary

Demand and pricing outlook

- Cement demand was adversely impacted due to the erratic monsoon across markets except in Tamil Nadu, Assam, and Meghalaya. However, the quarter witnessed volume growth every month with September recording the highest growth. Capacity utilization stood at 90% in the East, 85% in the North, 70-75% in the South and Central regions, and 60% in the West regions. Cement demand is expected to pick up post the festive season and the management expects double-digit volume growth in FY23/24.
- Cement prices were under pressure since end-May'22 and due to weak demand, prices fell further in the monsoon season. The Eastern region was the least impacted in terms of sequential price declines; North and Central India witnessed the highest price drop. The company's realization trend in H1FY23 has been better than its peers due to higher share of value-added products (18.8% of trade sales) and increase in blended/trade cement volumes. Prices should improve going forward to mitigate the negative impact of sustained cost pressures.

Operational highlights

- White cement volume was flat YoY (up 3% QoQ) at 0.38mt, whereas revenue grew 7%/8% QoQ to INR5.4b. RMC revenue increased 44% YoY (down 2% QoQ) to INR8.8b. The company has a total of 186 operational RMC plants in 2QFY23 v/s 148/171 in 2QFY22/1QFY23.
- Trade sales accounted for 68% of grey cement volumes v/s 67% in 1QFY23. Higher blended Cement share at 71% in 2QFY23 v/s 70% in 1QFY23 has helped improve clinker conversion (C:C) ratio to 1.41x in 2QFY23 v/s 1.4x in 1QFY23.
- Fuel cost remains elevated as imported petcoke price has increased to USD205/t as of now after declining to USD165-170/t in Aug-Sep'22. Imported coal prices remain higher at USD300-350/t. Given the geo-political tension, fuel prices are likely to remain at elevated levels. The company did not try to procure petcoke from Venezuela due to USA sanctions.
- Average fuel cost was at INR2.5/kcal in 2QFY23 v/s INR1.4/Kcal in 2QFY22 and INR2.2/kcal in 1QFY23. Fuel consumption cost was at its peak in the quarter and should witness marginal reduction in 2HFY23. The company has ~55days of fuel inventory v/s at normal levels of 45days, which led to higher working capital. Fuel-mix in kiln was 50% imported coal, 40% petcoke, 5% domestic coal, and the balance was AFR. In thermal power plants, fuel mix was 60% domestic coal, 29% imported coal, 5% petcoke, and 10% others (mainly lignite).
- Green energy (solar+ WHRS) fulfilled 18.9% of its power requirements (up 1pp YoY). WHRS capacity rose to 191MW (added 23MW of WHRS in H1FY23) and is expected to increase to 250MW by FY23-end. Also, other renewable power capacity (solar and wind) increased to 318MW (v/s 286MW in 1QFY23).
- The company took shut down 19 kilns out of 43, which led to higher maintenance cost of INR800m.
- Construction chemical business is seeing steady growth and revenue increased to INR1.38b in 2QFY23 v/s INR820m 2QFY22.

Expansion and Debt position

- The company has commissioned 1.3mtpa at Dalla, Uttar Pradesh, in 2QFY23, taking its total domestic grey cement capacity to 115.9mtpa.
- Greenfield expansion at Pali and brownfield expansion at Dhar should get commissioned in 3QFY23. The company is on-course to complete Phase-I expansion by Mar'23, post which, domestic grey cement capacity will be at 131mtpa. Capex in FY23 should be at INR60-70b, out of which, INR29-30b has been spent in 1H.
- The company has also commenced work towards its Phase-II expansion (22.6mtpa) and has spent INR5b on advance payment, civil construction, and labor mobilization. About 3-4mtpa capacity will be commissioned in FY24, while the remaining will be commissioned in FY25-26.
- Putty expansion of 0.4mtpa is under trial run and commercial production should begin from mid-Nov'22. Further, first shipment of white cement from RAK Cement, UAE, is expected in 3QFY23. These initiatives will help to increase white cement and putty volumes going forward.
- Net debt increased to INR83.6b in Sept'23 v/s INR55.6b in Jun'22, on account of higher capex (INR15.1b in 2QFY23 and INR31.2b in 1HFY23) and increase in working capital (up INR11.6b in 2QFY23 and INR37.1b in 1HFY23).

Other highlights

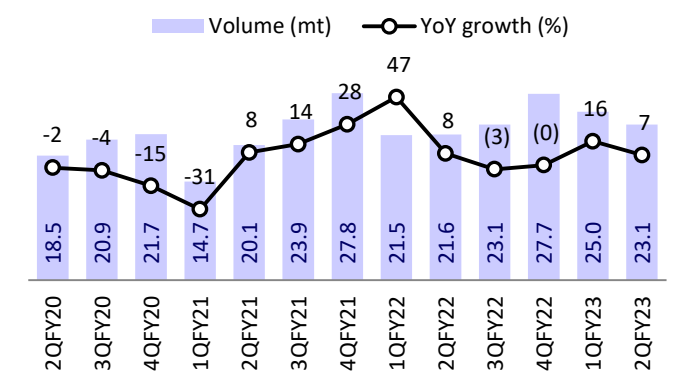
- The company evaluates inorganic, profitable growth opportunities, increasing its market share, and positive returns to shareholders. The management does not expect any regulatory hurdles in any of the geographies. Organic expansion cost will be at USD110-120/t with commissioning time of ~7 years, and hence, premium is justified for inorganic plants.
- The company looks forward to increase its dealer's network (retail channel partner at 110k+). The company also continues to add railway siding (currently has 260+ railheads). In phase II expansion, it has plans to add two bulk terminals (in south and central India). Going forward, it looks to expand bulk terminals network in the Eastern region as well.

Exhibit 1: Key demand drivers regional in 2QFY23

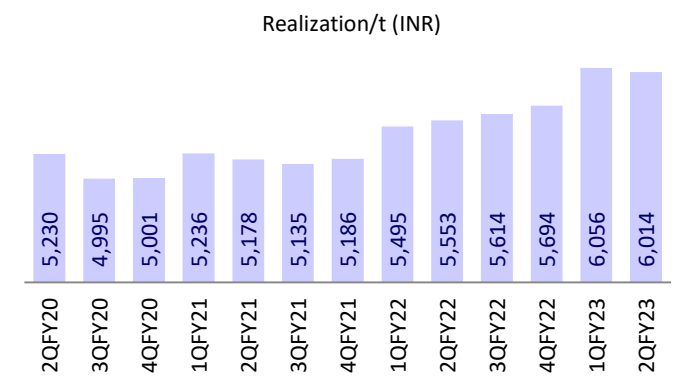
Zone	Volume Gr.	I	R	H	C	Key drivers
North	↑	●	●	●	●	<ul style="list-style-type: none"> ➤ Infrastructure segment registered growth on account of execution of major projects ➤ Commercial demand registered growth in Rajasthan. ➤ Housing segment registered growth in all the regions supported by good monsoon and cash flow from crop harvest except Punjab.
Central	↑	●	●	●	●	<ul style="list-style-type: none"> ➤ Housing segment growth driven by IHB demand. ➤ Infrastructure segment degrowth across all regions (excl. Kashi) due to heavy rains.
East	↑	●	●	●	●	<ul style="list-style-type: none"> ➤ Overall growth driven by housing & rural segments. ➤ Infrastructure segment registered growth in West Bengal, Bihar and Jharkhand, but degrowth in Chhattisgarh and Odisha due to sand mining ban and aggregates availability.
West	=	●	●	●	●	<ul style="list-style-type: none"> ➤ Maharashtra: Infrastructure segment grew in Mumbai led by Metro & Mumbai Trans Harbour Link (MTHL) and degrowth in other regions due to completion of major projects and heavy rains. ➤ Gujarat: Housing and rural segment impacted by heavy rains. Infrastructure segment growth supported by major projects i.e., Bullet Train, Vadodara-Mumbai Expressway and Western Dedicated Freight Corridor etc.
South	↑	●	●	●	●	<ul style="list-style-type: none"> ➤ Housing segment growth led by affordable housing, improved expat income and improved sand availability. ➤ Infrastructure segment growth supported by execution of major projects i.e. Bangalore and Chennai Metro and Central Institutional Projects, Expressway projects etc.

Sources: MOFSL, company reports; Note I: Infrastructure, H: Housing, C:Commercial

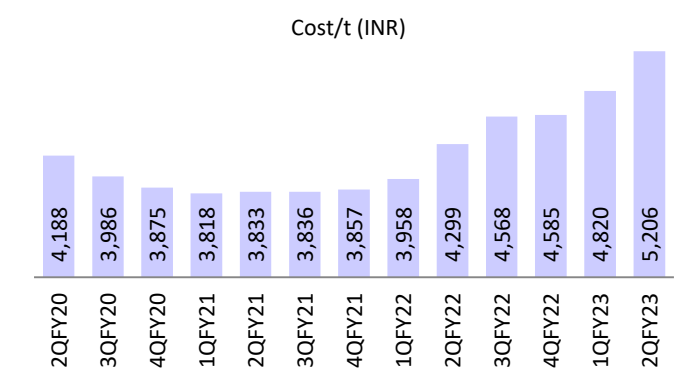
Story in charts

Exhibit 2: Sales volume grew 7% YoY, but down 8% QoQ


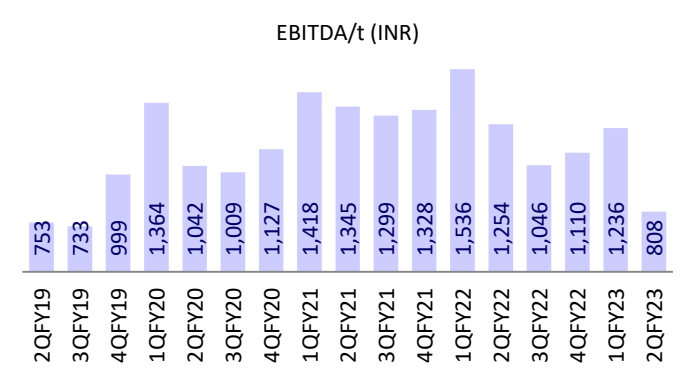
Sources: Company reports, MOFSL

Exhibit 3: Blended realization grew 8% YoY, down 1% QoQ


Sources: Company reports, MOFSL

Exhibit 4: OPEX/t increased sharply 21% YoY and 8% QoQ...


Sources: Company reports, MOFSL

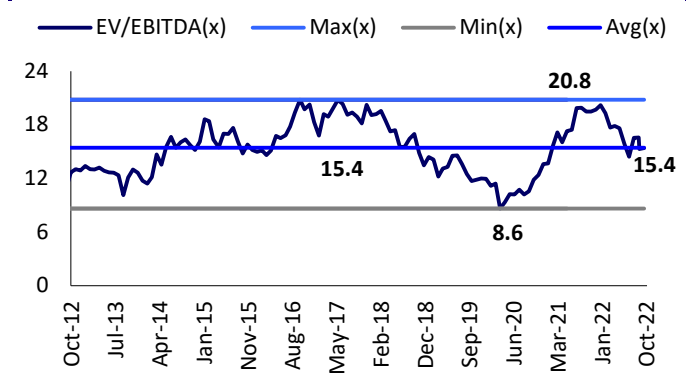
Exhibit 5: ...and led 36% YoY and 35% QoQ drop in EBITDA/t


Sources: Company reports, MOFSL

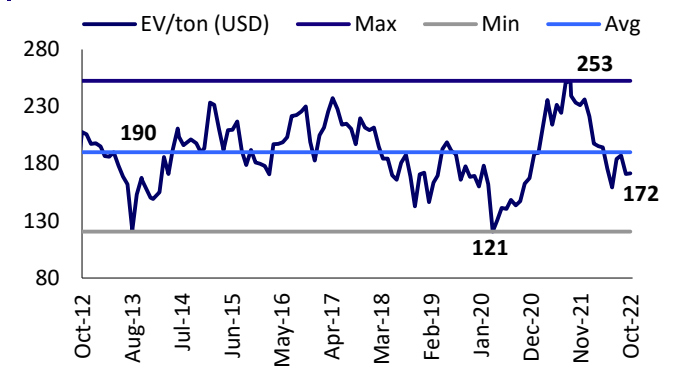
Exhibit 6: Trend in key operating parameters

INR/t	2QFY23	2QFY22	YoY (%)	1QFY23	QoQ (%)
Realization	6,014	5,553	8%	6,056	-1%
RM cost	873	799	9%	912	-4%
Power and fuel	1,861	1,165	60%	1,603	16%
Staff cost	299	314	-5%	254	18%
Freight and forwarding	1,318	1,235	7%	1,314	0%
Other expenditure	855	785	9%	737	16%
Total expenditure	5,206	4,299	21%	4,820	8%
EBITDA	808	1,254	-36%	1,236	-35%

Sources: Company reports, MOFSL

Exhibit 7: One-year forward EV/EBITDA trend


Sources: Company reports, MOFSL

Exhibit 8: One-year forward EV/t trend


Sources: Company reports, MOFSL

Financials and valuations

Consolidated Income Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Total Income from Operations	3,09,786	4,16,088	4,24,299	4,47,258	5,25,988	6,13,940	6,49,532	7,07,617
Change (%)	22.1	34.3	2.0	5.4	17.6	16.7	5.8	8.9
Raw Materials	52,888	69,831	65,181	70,858	79,650	98,662	1,11,736	1,23,043
Employees Cost	18,102	22,911	25,199	23,530	25,347	26,816	28,646	30,601
Other Expenses	1,77,344	2,49,877	2,40,141	2,37,191	3,05,848	3,79,760	3,79,225	4,08,634
Total Expenditure	2,48,335	3,42,619	3,30,520	3,31,579	4,10,845	5,05,239	5,19,607	5,62,278
As a percentage of Sales	80.2	82.3	77.9	74.1	78.1	82.3	80.0	79.5
EBITDA	61,452	73,469	93,779	1,15,679	1,15,144	1,08,701	1,29,925	1,45,339
Margin (%)	19.8	17.7	22.1	25.9	21.9	17.7	20.0	20.5
Depreciation	18,479	24,507	27,227	27,002	27,148	29,001	33,467	36,570
EBIT	42,972	48,962	66,552	88,677	87,996	79,701	96,458	1,08,769
Int. and Finance Charges	12,376	17,779	19,917	14,857	9,447	8,113	7,818	6,629
Other Income	5,886	4,634	6,511	7,342	5,078	5,171	5,545	5,947
PBT bef. EO Exp.	36,482	35,818	53,146	81,162	83,627	76,759	94,185	1,08,087
EO Items	-3,466	-1,139	19,788	-2,607	0	0	0	0
PBT after EO Exp.	33,016	34,679	72,934	78,555	83,627	76,759	94,185	1,08,087
Total Tax	10,770	10,681	15,413	25,387	11,901	24,365	29,958	32,597
Tax Rate (%)	32.6	30.8	21.1	32.3	14.2	31.7	31.8	30.2
Minority Interest	24	-37	-32	-34	-118	-110	-118	-118
Reported PAT	22,222	24,035	57,553	53,202	71,844	52,504	64,345	75,608
Adjusted PAT	24,557	24,823	41,946	54,967	56,665	52,504	64,345	75,608
Change (%)	-9.5	1.1	69.0	31.0	3.1	-7.3	22.6	17.5
Margin (%)	7.9	6.0	9.9	12.3	10.8	8.6	9.9	10.7

Consolidated Balance Sheet								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	2,746	2,746	2,886	2,887	2,887	2,887	2,887	2,887
Total Reserves	2,61,066	3,34,738	3,88,269	4,38,860	5,01,466	5,43,008	5,95,806	6,59,290
Net Worth	2,63,812	3,37,484	3,91,155	4,41,747	5,04,353	5,45,895	5,98,693	6,62,177
Minority Interest	160	122	75	57	-31	-148	-266	-383
Total Loans	1,94,802	2,53,370	2,28,979	2,04,878	1,02,028	1,02,028	82,028	72,028
Deferred Tax Liabilities	31,827	63,856	49,120	60,407	60,332	67,855	77,095	87,606
Capital Employed	4,90,601	6,54,832	6,69,329	7,07,089	6,66,683	7,15,630	7,57,551	8,21,429
Gross Block	4,30,455	5,71,407	6,02,798	6,14,319	6,41,922	7,33,589	7,95,270	8,76,965
Less: Accum. Deprn.	43,665	68,172	95,399	1,22,401	1,49,549	1,78,549	2,12,016	2,48,586
Net Fixed Assets	3,86,790	5,03,235	5,07,400	4,91,918	4,92,374	5,55,040	5,83,254	6,28,378
Goodwill on Consolidation	10,363	62,989	62,525	62,199	62,502	62,502	62,502	62,502
Capital WIP	15,112	11,486	9,095	16,867	47,847	31,582	30,582	11,582
Current Investment	39,491	15,165	42,437	1,08,939	49,633	49,633	49,633	49,633
Non-current Investment	14,978	14,048	16,850	12,842	13,725	13,725	13,725	13,725
Curr. Assets, Loans, and Adv.	1,04,677	1,58,335	1,44,307	1,59,034	1,71,938	1,84,174	2,02,478	2,46,801
Inventory	32,676	40,990	41,483	40,180	55,956	64,747	68,296	74,347
Account Receivables	22,206	27,870	22,383	25,717	30,716	35,583	37,418	40,703
Cash and Bank Balance	2,191	7,397	5,392	20,076	3,592	2,509	15,767	51,092
Loans and Advances	47,604	82,079	75,049	73,061	81,674	81,336	80,997	80,659
Curr. Liability and Prov.	80,904	1,10,548	1,19,152	1,52,307	1,71,595	1,81,287	1,84,887	1,91,458
Account Payables	23,849	31,671	35,014	46,993	58,628	68,432	72,399	78,873
Other Current Liabilities	50,526	71,206	76,240	96,441	1,04,309	1,04,191	1,03,817	1,03,907
Provisions	6,529	7,671	7,898	8,873	8,658	8,665	8,672	8,678
Net Current Assets	23,773	47,787	25,155	6,727	343	2,887	17,591	55,343
Deferred Tax assets	94	121	60	72	164	166	168	171
Net Assets held for sale	0	0	5,808	7,526	95	95	95	95
Appl. of Funds	4,90,601	6,54,832	6,69,329	7,07,089	6,66,683	7,15,630	7,57,551	8,21,429

E: MOFSL estimates

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Basic (INR)								
EPS	89.4	90.4	145.3	190.4	196.3	181.9	222.9	261.9
Cash EPS	156.7	179.6	239.7	284.0	290.3	282.3	338.8	388.6
BV/Share	960.7	1,228.8	1,355.2	1,530.4	1,747.2	1,891.1	2,074.0	2,293.9
DPS	9.5	10.5	11.5	37.0	38.0	38.0	40.0	42.0
Payout (%)	12.7	14.0	9.1	19.4	19.4	20.9	17.9	16.0
Valuation (x)								
P/E		70.8	44.0	33.6	32.6	35.2	28.7	24.4
Cash P/E		35.6	26.7	22.5	22.0	22.7	18.9	16.5
P/BV		5.2	4.7	4.2	3.7	3.4	3.1	2.8
EV/Sales		4.7	4.7	4.3	3.6	3.1	2.8	2.6
EV/t (USD)		218	218	207	198	173	170	142
EV/EBITDA		26.9	21.4	16.5	16.3	17.3	14.2	12.4
Dividend Yield (%)		0.2	0.2	0.6	0.6	0.6	0.6	0.7
FCF per share		156.8	249.4	369.4	127.4	44.4	163.1	201.4
Return Ratios (%)								
RoE	9.7	8.3	11.5	13.2	12.0	10.0	11.2	12.0
RoCE	8.4	7.1	9.5	10.3	12.7	9.2	10.5	11.3
RoIC	8.2	6.4	8.5	10.2	13.4	9.1	10.2	11.1
Working Capital Ratios								
Inventory (Days)	38	36	36	33	39	38	38	38
Debtor (Days)	26	24	19	21	21	21	21	21
Creditor (Days)	28	28	30	38	41	41	41	41
Leverage Ratio (x)								
Current Ratio	1.3	1.4	1.2	1.0	1.0	1.0	1.1	1.3
Interest Coverage Ratio	3.5	2.8	3.3	6.0	9.3	9.8	12.3	16.4
Net Debt/Equity ratio	0.6	0.7	0.5	0.2	0.1	0.1	0.0	0.0

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
OP/(Loss) before Tax	33,015	34,685	52,423	78,576	83,627	76,759	94,185	1,08,087
Depreciation	18,479	24,507	27,022	27,002	27,148	29,001	33,467	36,570
Interest and Finance Charges	12,376	17,779	19,917	14,857	9,447	8,113	7,818	6,629
Direct Taxes Paid	-8,429	-7,097	-8,210	-12,935	-15,549	-16,844	-20,720	-22,087
(Inc.)/Dec. in WC	-12,554	-6,957	4,503	23,289	-4,730	-3,627	-1,446	-2,426
CF from Operations	42,888	62,917	95,654	1,30,789	99,943	93,401	1,13,304	1,26,773
Others	-4,010	-3,356	-5,929	-5,785	-7,110	-5,171	-5,545	-5,947
CF from Operations incl. EO	38,877	59,561	89,724	1,25,004	92,832	88,230	1,07,759	1,20,826
(Inc.)/Dec. in FA	-18,828	-16,482	-17,037	-18,414	-56,062	-75,402	-60,681	-62,694
Free Cash Flow	20,050	43,079	72,687	1,06,590	36,771	12,828	47,078	58,132
(Pur.)/Sale of Investments	16,246	26,614	-26,266	-70,949	69,981	0	0	0
Others	21,197	1,007	1,210	773	8,651	5,171	5,545	5,947
CF from Investments	18,615	11,138	-42,093	-88,590	22,570	-70,231	-55,136	-56,748
Issue of Shares	157	52	27	70	44	0	0	0
Inc./(Dec.) in Debt	-42,069	-46,482	-26,663	-25,149	-1,12,232	0	-20,000	-10,000
Interest Paid	-12,099	-16,850	-19,445	-14,805	-2,227	-8,113	-7,818	-6,629
Dividend Paid	-3,340	-3,466	-4,647	-3,748	-10,650	-10,969	-11,547	-12,124
Others	0	-827	-31	68	87	0	0	0
CF from Fin. Activity	-57,351	-67,572	-50,759	-43,565	-1,24,979	-19,083	-39,365	-28,753
Inc./Dec. in Cash	142	3,127	-3,128	-7,150	-9,577	-1,083	13,259	35,325
Opening Balance	38,843	38,985	42,112	38,984	31,834	22,257	21,174	34,433
Closing Balance	38,985	42,112	38,984	31,834	22,257	21,174	34,433	69,758

NOTES

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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
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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