

November 6, 2022

## Q2FY23 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

|                | Current  |          | Previous |          |
|----------------|----------|----------|----------|----------|
|                | FY24E    | FY25E    | FY24E    | FY25E    |
| Rating         | BUY      |          | BUY      |          |
| Target Price   | 410      |          | 480      |          |
| Sales (Rs. m)  | 1,88,320 | 1,92,085 | 1,70,942 | 1,85,833 |
| % Chng.        | 10.2     | 3.4      |          |          |
| EBITDA (Rs. m) | 21,247   | 22,488   | 21,740   | 26,880   |
| % Chng.        | (2.3)    | (16.3)   |          |          |
| EPS (Rs.)      | 37.6     | 41.0     | 39.2     | 47.7     |
| % Chng.        | (4.1)    | (13.9)   |          |          |

### Key Financials - Consolidated

| Y/e Mar        | FY22     | FY23E    | FY24E    | FY25E    |
|----------------|----------|----------|----------|----------|
| Sales (Rs. m)  | 1,60,688 | 2,23,771 | 1,88,320 | 1,92,085 |
| EBITDA (Rs. m) | 22,622   | 18,606   | 21,247   | 22,488   |
| Margin (%)     | 14.1     | 8.3      | 11.3     | 11.7     |
| PAT (Rs. m)    | 15,660   | 13,240   | 15,635   | 17,078   |
| EPS (Rs.)      | 37.6     | 31.8     | 37.6     | 41.0     |
| Gr. (%)        | 18.9     | (15.4)   | 18.1     | 9.2      |
| DPS (Rs.)      | 7.5      | 7.5      | 8.5      | 9.0      |
| Yield (%)      | 2.4      | 2.4      | 2.8      | 2.9      |
| RoE (%)        | 26.9     | 19.6     | 20.7     | 20.0     |
| RoCE (%)       | 19.7     | 14.3     | 16.7     | 17.8     |
| EV/Sales (x)   | 1.0      | 0.7      | 0.8      | 0.7      |
| EV/EBITDA (x)  | 7.3      | 8.9      | 7.2      | 6.3      |
| PE (x)         | 8.2      | 9.7      | 8.2      | 7.5      |
| P/BV (x)       | 2.0      | 1.8      | 1.6      | 1.4      |

### Key Data

CHMB.BO | CHMB IN

|                     |                     |
|---------------------|---------------------|
| 52-W High / Low     | Rs.516 / Rs.261     |
| Sensex / Nifty      | 60,950 / 18,117     |
| Market Cap          | Rs.128bn/ \$ 1,553m |
| Shares Outstanding  | 416m                |
| 3M Avg. Daily Value | Rs.719.63m          |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 60.48 |
| Foreign                 | 11.09 |
| Domestic Institution    | 12.60 |
| Public & Others         | 15.84 |
| Promoter Pledge (Rs bn) | -     |

### Stock Performance (%)

|          | 1M    | 6M     | 12M    |
|----------|-------|--------|--------|
| Absolute | (4.0) | (31.3) | (12.4) |
| Relative | (8.6) | (37.3) | (13.7) |

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## Subsidy one-offs spoils the overall performance

### Quick Pointers:

- One-time loss of INR 2.4bn in the P&K fertilizer business
- TAN project deferred by almost a year; likely to come up by 1HFY26

**We trim our EPS estimates for FY23 by 8% citing Rs2.4bn of subsidy one-off provision from the carry over inventory of last year and higher interest cost led by higher subsidy receivable. While, we reduce our estimates for FY24/25E by 4%/14% respectively due to the delay in TAN project by almost a year (likely to be commissioned in 1HFY26) and limited growth in the existing business. Maintain BUY rating on the stock with a revised TP of Rs410 (earlier Rs480) based on 10X FY25 EPS.**

**Chambal Fertilisers (CHMB) reported results below our and consensus estimates primarily led by a) one-time loss of INR 2.4bn in the P&K fertilizer business; b) incremental interest cost of Rs0.6bn due to increased subsidy outstanding from the Govt. and c) lower than expected share of profit from JV (down 58% YoY to Rs 340mn). Key highlights are: 1) Urea and P&K sales volume were up 10%/28% YoY to 1.0/0.44mn mt respectively; 2) Interest cost up 242% YoY led by stretched working capital due to higher subsidy outstanding; 3) capacity increased for upcoming TAN (0.24mn mt from 0.22mn mt earlier) and NA (0.21mn mt from 0.18 mn mt earlier) project; likely to come-up in 1HFY26; 4) Capex for TAN project now stands at Rs16.45bn as against Rs11.7bn earlier.**

- Decent volume growth in both the segment; marred by lower margins:** While CHMB posted a solid growth in fertiliser volumes (Urea and P&K sales volume were up 10%/28% YoY to 1.0/0.44mn mt respectively) and agrochemical revenues (up 61% YoY), however EBITDA was impacted by Rs2.4bn of one-off adjustments largely due to the government recognizing subsidy payable amount lower than that specified by the NBS policy on the inventory as at Mar-22. The company has revised its TAN expansion plans and is now estimated to spend Rs16.45bn (Rs11.7bn earlier) to build 0.24 mn mt (0.22 mn mt earlier) and is expected to be commissioned in the next 34 months. Management alluded that they would ramp up their excess ammonia capacities over the next 24 months to meet their ammonia requirement in the TAN project.
- Higher subsidy outstanding resulted into stretched working capital and increase in interest cost:** Amid a rising raw material cost scenario coupled with delay in subsidy receipts from the Govt. has in turn resulted into higher working capital requirement and increase in interest cost for CHMB. Subsidy outstanding as on 30th September'22 stood at Rs79bn up 190% YoY while market receivables remained slow at Rs2.5bn up 46% YoY. Although the subsidy receipts during 1HFY23 stood at Rs79.9bn up 66% YoY however it was not sufficient enough to compensate the increase working capital requirements resulting into net debt was up 151% YoY to Rs 68bn.

**Exhibit 1: 2QFY23 result highlights**

| Y/e March (Rs mn)                      | Q2FY23        | Q2FY22        | YoY gr. (%)   | Q1FY23        | QoQ gr. (%)   | 1HFY23          | 1HFY22        | YoY gr. (%)   |
|--|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|
| Revenues                               | 85,868        | 44,786        | 91.7          | 72,912        | 17.8          | 1,58,779        | 80,181        | 98.0          |
| <b>Raw material</b>                    | <b>63,119</b> | <b>28,104</b> | <b>124.6</b>  | <b>52,069</b> | <b>21.2</b>   | <b>1,15,188</b> | <b>49,057</b> | <b>134.8</b>  |
| Staff costs                            | 499           | 456           | 9.4           | 443           | 12.6          | 943             | 913           | 3.3           |
| Others                                 | 17,805        | 8,857         | 101.0         | 14,466        | 23.1          | 32,270          | 17,032        | 89.5          |
| Total expenditure                      | 81,423        | 37,418        | 117.6         | 66,978        | 21.6          | 1,48,401        | 67,001        | 121.5         |
| <b>EBITDA</b>                          | <b>4,445</b>  | <b>7,369</b>  | <b>(39.7)</b> | <b>5,934</b>  | <b>(25.1)</b> | <b>10,379</b>   | <b>13,180</b> | <b>(21.3)</b> |
| Depreciation                           | 782           | 752           | 4.0           | 761           | 2.8           | 1,543           | 1,485         | 3.9           |
| <b>EBIT</b>                            | <b>3,663</b>  | <b>6,617</b>  | <b>(44.6)</b> | <b>5,173</b>  | <b>(29.2)</b> | <b>8,836</b>    | <b>11,695</b> | <b>(24.4)</b> |
| Interest                               | 850           | 248           | 242.0         | 481           | 76.6          | 1,331           | 553           | 140.8         |
| Other income                           | 888           | 173           | 412.9         | 148           | 502.3         | 1,036           | 248           | 317.5         |
| <b>Profit Before Tax</b>               | <b>3,702</b>  | <b>6,542</b>  | <b>(43.4)</b> | <b>4,840</b>  | <b>(23.5)</b> | <b>8,541</b>    | <b>11,391</b> | <b>(25.0)</b> |
| Less: Provision for Tax                | 1,300         | 2,288         | (43.2)        | 1,695         | (23.3)        | 2,995           | 3,998         | (25.1)        |
| Less: Minority Interest                | -1            | -2            |               | -1            |               | -2              | -2            |               |
| Add: Exceptional items (net of tax)    | 0             | 0             |               | 0             |               | 0               | 0             |               |
| Add: Share of Profit JV                | 340           | 804           |               | 272           |               | 613             | 1,478         |               |
| <b>Reported Profit</b>                 | <b>2,743</b>  | <b>5,059</b>  | <b>(45.8)</b> | <b>3,418</b>  | <b>(19.8)</b> | <b>6,161</b>    | <b>8,872</b>  | <b>(30.6)</b> |
| <b>Adjusted Profit</b>                 | <b>2,402</b>  | <b>4,254</b>  | <b>(43.5)</b> | <b>3,145</b>  | <b>(23.6)</b> | <b>5,546</b>    | <b>7,393</b>  | <b>(25.0)</b> |
| No. of Diluted shares outstanding (mn) | 416.2         | 416.2         |               | 416.2         |               | 416.2           | 416.2         |               |
| <b>Adjusted Diluted EPS</b>            | <b>5.8</b>    | <b>10.2</b>   |               | <b>7.6</b>    |               | <b>13.3</b>     | <b>17.8</b>   |               |
| <b>As % of net revenues</b>            |               |               |               |               |               |                 |               |               |
| Raw material                           | 73.5          | 62.8          |               | 71.4          |               | 72.5            | 61.2          |               |
| Staff expenses                         | 0.6           | 1.0           |               | 0.6           |               | 0.6             | 1.1           |               |
| Other expenses                         | 20.7          | 19.8          |               | 19.8          |               | 20.3            | 21.2          |               |
| EBITDA                                 | 5.2           | 16.5          |               | 8.1           |               | 6.5             | 16.4          |               |
| Reported net profit                    | 3.2           | 11.3          |               | 4.7           |               | 3.9             | 11.1          |               |

Source: Company, PL

**Exhibit 2: Double digit volume growth in both the segments**

| Particulars                       | 2QFY23 | 2QFY22 | YoY gr. (%) | 1HFY23 | 1HFY22 | YoY gr. (%) |
|-----------------------------------|--------|--------|-------------|--------|--------|-------------|
| <b>Urea</b>                       |        |        |             |        |        |             |
| Urea- Volumes (in '000 tonnes)    | 1,009  | 917    | 10.0        | 1,798  | 1,722  | 4.4         |
| Urea- Revenue (In Rs Mn)          | 54,240 | 27,320 | 98.5        | 91,560 | 47,620 | 92.3        |
| <b>Non- Urea</b>                  |        |        |             |        |        |             |
| DAP+NPK- Volumes (in '000 tonnes) | 393    | 304    | 29.3        | 804    | 581    | 38.4        |
| MOP- Volumes (in '000 tonnes)     | 45     | 39     | 15.4        | 100    | 48     | 108.3       |
| Non-Urea- Revenue (In Rs Mn)      | 31,630 | 17,470 | 81.1        | 67,220 | 32,570 | 106.4       |

Source: Company, PL

**Exhibit 3: Subsidy receipts and outstanding**

| Particulars                | 2QFY23 | 2QFY22 | YoY gr. (%) | 1HFY23 | 1HFY22 | YoY gr. (%) |
|----------------------------|--------|--------|-------------|--------|--------|-------------|
| Subsidy Receipts- Rs Mn    | 60,720 | 37,380 | 62.4        | 79,890 | 48,130 | 66.0        |
| Subsidy Outstanding- Rs Mn | 79,010 | 27,200 | 190.5       | 79,010 | 27,200 | 190.5       |
| Market Debtors- Rs Mn      | 2,510  | 1,720  | 45.9        | 2,510  | 1,720  | 45.9        |

Source: Company, PL

## Financials

### Income Statement (Rs m)

| Y/e Mar                       | FY22            | FY23E           | FY24E           | FY25E           |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net Revenues</b>           | <b>1,60,688</b> | <b>2,23,771</b> | <b>1,88,320</b> | <b>1,92,085</b> |
| YoY gr. (%)                   | -               | -               | -               | -               |
| Cost of Goods Sold            | 96,033          | 1,42,115        | 1,13,252        | 1,15,019        |
| Gross Profit                  | 64,655          | 81,656          | 75,068          | 77,067          |
| Margin (%)                    | 40.2            | 36.5            | 39.9            | 40.1            |
| Employee Cost                 | 1,807           | 3,975           | 4,293           | 4,636           |
| Other Expenses                | 40,227          | 59,075          | 49,528          | 49,942          |
| <b>EBITDA</b>                 | <b>22,622</b>   | <b>18,606</b>   | <b>21,247</b>   | <b>22,488</b>   |
| YoY gr. (%)                   | (8.2)           | (17.8)          | 14.2            | 5.8             |
| Margin (%)                    | 14.1            | 8.3             | 11.3            | 11.7            |
| Depreciation and Amortization | 2,997           | 3,069           | 3,011           | 3,087           |
| <b>EBIT</b>                   | <b>19,625</b>   | <b>15,537</b>   | <b>18,236</b>   | <b>19,401</b>   |
| Margin (%)                    | 12.2            | 6.9             | 9.7             | 10.1            |
| Net Interest                  | 1,059           | 2,284           | 1,273           | 593             |
| Other Income                  | 680             | 1,496           | 1,616           | 1,745           |
| <b>Profit Before Tax</b>      | <b>19,245</b>   | <b>14,749</b>   | <b>18,579</b>   | <b>20,554</b>   |
| Margin (%)                    | 12.0            | 6.6             | 9.9             | 10.7            |
| Total Tax                     | 6,648           | 3,835           | 4,831           | 5,344           |
| Effective tax rate (%)        | 34.5            | 26.0            | 26.0            | 26.0            |
| <b>Profit after tax</b>       | <b>12,597</b>   | <b>10,914</b>   | <b>13,749</b>   | <b>15,210</b>   |
| Minority interest             | (1)             | (1)             | (1)             | (1)             |
| Share Profit from Associate   | 3,064           | 2,327           | 1,887           | 1,869           |
| <b>Adjusted PAT</b>           | <b>15,660</b>   | <b>13,240</b>   | <b>15,635</b>   | <b>17,078</b>   |
| YoY gr. (%)                   | -               | -               | -               | -               |
| Margin (%)                    | 9.7             | 5.9             | 8.3             | 8.9             |
| Extra Ord. Income / (Exp)     | -               | -               | -               | -               |
| <b>Reported PAT</b>           | <b>15,660</b>   | <b>13,240</b>   | <b>15,635</b>   | <b>17,078</b>   |
| YoY gr. (%)                   | -               | -               | -               | -               |
| Margin (%)                    | 9.7             | 5.9             | 8.3             | 8.9             |
| Other Comprehensive Income    | -               | -               | -               | -               |
| Total Comprehensive Income    | 15,660          | 13,240          | 15,635          | 17,078          |
| <b>Equity Shares O/s (m)</b>  | <b>416</b>      | <b>416</b>      | <b>416</b>      | <b>416</b>      |
| <b>EPS (Rs)</b>               | <b>37.6</b>     | <b>31.8</b>     | <b>37.6</b>     | <b>41.0</b>     |

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

| Y/e Mar                               | FY22            | FY23E           | FY24E           | FY25E           |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Non-Current Assets</b>             |                 |                 |                 |                 |
| <b>Gross Block</b>                    | <b>81,058</b>   | <b>82,858</b>   | <b>84,858</b>   | <b>86,858</b>   |
| Tangibles                             | 75,443          | 77,243          | 79,243          | 81,243          |
| Intangibles                           | 5,615           | 5,615           | 5,615           | 5,615           |
| <b>Acc: Dep / Amortization</b>        | <b>11,882</b>   | <b>14,951</b>   | <b>17,963</b>   | <b>21,050</b>   |
| Tangibles                             | 11,882          | 14,951          | 17,963          | 21,050          |
| Intangibles                           | -               | -               | -               | -               |
| <b>Net fixed assets</b>               | <b>69,176</b>   | <b>67,907</b>   | <b>66,895</b>   | <b>65,808</b>   |
| Tangibles                             | 63,561          | 62,292          | 61,281          | 60,194          |
| Intangibles                           | 5,615           | 5,615           | 5,615           | 5,615           |
| Capital Work In Progress              | 1,566           | 1,566           | 1,566           | 1,566           |
| Goodwill                              | -               | -               | -               | -               |
| Non-Current Investments               | 0               | 0               | 0               | 0               |
| Net Deferred tax assets               | (6,031)         | (6,031)         | (6,031)         | (6,031)         |
| Other Non-Current Assets              | -               | -               | -               | -               |
| <b>Current Assets</b>                 |                 |                 |                 |                 |
| Investments                           | -               | -               | -               | -               |
| Inventories                           | 31,232          | 38,936          | 34,131          | 34,663          |
| Trade receivables                     | 21,513          | 31,880          | 25,797          | 26,313          |
| Cash & Bank Balance                   | 5,541           | 2,499           | 2,652           | 6,356           |
| Other Current Assets                  | 3,859           | 4,245           | 4,670           | 5,137           |
| <b>Total Assets</b>                   | <b>1,32,890</b> | <b>1,47,035</b> | <b>1,35,714</b> | <b>1,39,846</b> |
| <b>Equity</b>                         |                 |                 |                 |                 |
| Equity Share Capital                  | 4,162           | 4,162           | 4,162           | 4,162           |
| Other Equity                          | 59,834          | 66,846          | 76,172          | 86,699          |
| <b>Total Networkth</b>                | <b>63,996</b>   | <b>71,008</b>   | <b>80,334</b>   | <b>90,862</b>   |
| <b>Non-Current Liabilities</b>        |                 |                 |                 |                 |
| Long Term borrowings                  | 24,712          | 17,332          | 8,852           | 1,652           |
| Provisions                            | 495             | 520             | 546             | 573             |
| Other non current liabilities         | -               | -               | -               | -               |
| <b>Current Liabilities</b>            |                 |                 |                 |                 |
| ST Debt / Current of LT Debt          | 18,519          | 22,484          | 18,309          | 18,586          |
| Trade payables                        | 14,998          | 25,308          | 17,065          | 17,332          |
| Other current liabilities             | 4,274           | 4,488           | 4,712           | 4,948           |
| <b>Total Equity &amp; Liabilities</b> | <b>1,32,890</b> | <b>1,47,035</b> | <b>1,35,714</b> | <b>1,39,846</b> |

Source: Company Data, PL Research

**Cash Flow (Rs m)**

| Y/e Mar                              | FY22           | FY23E           | FY24E           | FY25E           |
|--------------------------------------|----------------|-----------------|-----------------|-----------------|
| PBT                                  | 22,309         | 14,749          | 18,579          | 20,554          |
| Add. Depreciation                    | 2,997          | 3,069           | 3,011           | 3,087           |
| Add. Interest                        | 1,037          | 2,284           | 1,273           | 593             |
| Less Financial Other Income          | 680            | 1,496           | 1,616           | 1,745           |
| Add. Other                           | (2,382)        | (1,465)         | (1,584)         | (1,712)         |
| Op. profit before WC changes         | 23,961         | 18,636          | 21,279          | 22,521          |
| Net Changes-WC                       | (20,773)       | (7,933)         | 2,444           | (1,013)         |
| Direct tax                           | (3,430)        | (3,835)         | (4,831)         | (5,344)         |
| <b>Net cash from Op. activities</b>  | <b>(243)</b>   | <b>6,869</b>    | <b>18,893</b>   | <b>16,164</b>   |
| Capital expenditures                 | (1,635)        | (1,800)         | (2,000)         | (2,000)         |
| Interest / Dividend Income           | -              | -               | -               | -               |
| Others                               | 444            | 1,496           | 1,616           | 1,745           |
| <b>Net Cash from Inv. activities</b> | <b>(1,191)</b> | <b>(304)</b>    | <b>(384)</b>    | <b>(255)</b>    |
| Issue of share cap. / premium        | -              | (2,326)         | (1,886)         | (1,868)         |
| Debt changes                         | 2,606          | (5,698)         | (13,927)        | (7,516)         |
| Dividend paid                        | (3,743)        | (3,902)         | (4,422)         | (4,682)         |
| Interest paid                        | -              | -               | -               | -               |
| Others                               | (991)          | (1)             | (1)             | (1)             |
| <b>Net cash from Fin. activities</b> | <b>(2,128)</b> | <b>(11,928)</b> | <b>(20,236)</b> | <b>(14,067)</b> |
| <b>Net change in cash</b>            | <b>(3,562)</b> | <b>(5,363)</b>  | <b>(1,728)</b>  | <b>1,842</b>    |
| Free Cash Flow                       | (1,878)        | 5,069           | 16,893          | 14,164          |

Source: Company Data, PL Research

**Key Financial Metrics**

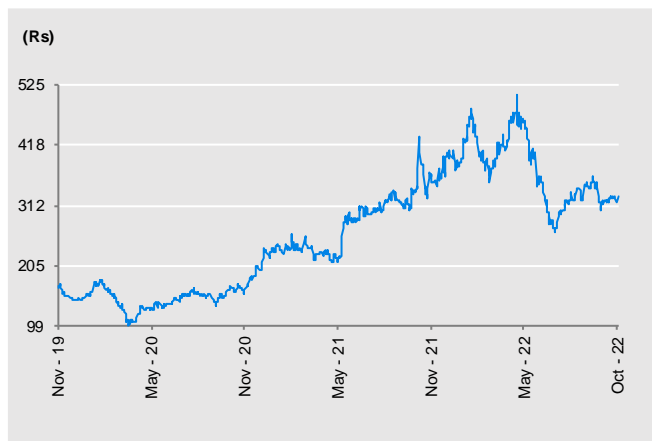
| Y/e Mar                    | FY22  | FY23E | FY24E | FY25E |
|----------------------------|-------|-------|-------|-------|
| <b>Per Share(Rs)</b>       |       |       |       |       |
| EPS                        | 37.6  | 31.8  | 37.6  | 41.0  |
| CEPS                       | 44.8  | 39.2  | 44.8  | 48.4  |
| BVPS                       | 153.8 | 170.6 | 193.0 | 218.3 |
| FCF                        | (4.5) | 12.2  | 40.6  | 34.0  |
| DPS                        | 7.5   | 7.5   | 8.5   | 9.0   |
| <b>Return Ratio(%)</b>     |       |       |       |       |
| RoCE                       | 19.7  | 14.3  | 16.7  | 17.8  |
| ROIC                       | 13.7  | 10.8  | 12.7  | 13.9  |
| RoE                        | 26.9  | 19.6  | 20.7  | 20.0  |
| <b>Balance Sheet</b>       |       |       |       |       |
| Net Debt : Equity (x)      | 0.6   | 0.5   | 0.3   | 0.2   |
| Net Working Capital (Days) | 86    | 74    | 83    | 83    |
| <b>Valuation(x)</b>        |       |       |       |       |
| PER                        | 8.2   | 9.7   | 8.2   | 7.5   |
| P/B                        | 2.0   | 1.8   | 1.6   | 1.4   |
| P/CEPS                     | 6.9   | 7.8   | 6.9   | 6.3   |
| EV/EBITDA                  | 7.3   | 8.9   | 7.2   | 6.3   |
| EV/Sales                   | 1.0   | 0.7   | 0.8   | 0.7   |
| Dividend Yield (%)         | 2.4   | 2.4   | 2.8   | 2.9   |

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

| Y/e Mar                           | Q3FY22        | Q4FY22        | Q1FY23        | Q2FY23        |
|-----------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenue</b>                | <b>47,433</b> | <b>33,074</b> | <b>72,912</b> | <b>85,868</b> |
| YoY gr. (%)                       | -             | -             | -             | -             |
| Raw Material Expenses             | 30,031        | 16,946        | 52,069        | 63,119        |
| Gross Profit                      | 17,403        | 16,128        | 20,843        | 22,749        |
| Margin (%)                        | 36.7          | 48.8          | 28.6          | 26.5          |
| <b>EBITDA</b>                     | <b>5,827</b>  | <b>3,614</b>  | <b>5,934</b>  | <b>4,445</b>  |
| YoY gr. (%)                       | -             | -             | -             | -             |
| Margin (%)                        | 12.3          | 10.9          | 8.1           | 5.2           |
| Depreciation / Depletion          | 762           | 751           | 761           | 782           |
| <b>EBIT</b>                       | <b>5,066</b>  | <b>2,864</b>  | <b>5,173</b>  | <b>3,663</b>  |
| Margin (%)                        | 10.7          | 8.7           | 7.1           | 4.3           |
| Net Interest                      | 241           | 266           | 481           | 850           |
| Other Income                      | 189           | 243           | 148           | 888           |
| <b>Profit before Tax</b>          | <b>5,013</b>  | <b>2,841</b>  | <b>4,840</b>  | <b>3,702</b>  |
| Margin (%)                        | 10.6          | 8.6           | 6.6           | 4.3           |
| Total Tax                         | 1,754         | 897           | 1,695         | 1,300         |
| Effective tax rate (%)            | 35.0          | 31.6          | 35.0          | 35.1          |
| <b>Profit after Tax</b>           | <b>3,259</b>  | <b>1,945</b>  | <b>3,145</b>  | <b>2,402</b>  |
| Minority interest                 | 1             | 2             | (1)           | (1)           |
| Share Profit from Associates      | 1,093         | 493           | 272           | 340           |
| <b>Adjusted PAT</b>               | <b>3,259</b>  | <b>1,945</b>  | <b>3,145</b>  | <b>2,402</b>  |
| YoY gr. (%)                       | (27.6)        | 16.0          | 0.2           | (43.5)        |
| Margin (%)                        | 6.9           | 5.9           | 4.3           | 2.8           |
| Extra Ord. Income / (Exp)         | -             | -             | -             | -             |
| <b>Reported PAT</b>               | <b>4,351</b>  | <b>2,436</b>  | <b>3,418</b>  | <b>2,743</b>  |
| YoY gr. (%)                       | (7.6)         | (206.9)       | (10.4)        | (45.8)        |
| Margin (%)                        | 9.2           | 7.4           | 4.7           | 3.2           |
| Other Comprehensive Income        | -             | -             | -             | -             |
| <b>Total Comprehensive Income</b> | <b>4,351</b>  | <b>2,436</b>  | <b>3,418</b>  | <b>2,743</b>  |
| Avg. Shares O/s (m)               | 416           | 416           | 416           | 416           |
| <b>EPS (Rs)</b>                   | <b>7.8</b>    | <b>4.7</b>    | <b>7.6</b>    | <b>5.8</b>    |

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


| No. | Date      | Rating | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|--------|----------|-------------------|
| 1   | 12-Oct-22 | BUY    | 480      | 320               |

**Analyst Coverage Universe**

| Sr. No. | Company Name                    | Rating     | TP (Rs) | Share Price (Rs) |
|---------|---------------------------------|------------|---------|------------------|
| 1       | Bayer Cropscience               | Accumulate | 5,650   | 4,803            |
| 2       | Chambal Fertilizers & Chemicals | BUY        | 480     | 320              |
| 3       | Coromandel International        | BUY        | 1,200   | 973              |
| 4       | Dhanuka Agritech                | BUY        | 940     | 728              |
| 5       | Godrej Agrovet                  | Accumulate | 570     | 520              |
| 6       | Insecticides India              | Hold       | 920     | 701              |
| 7       | P.I. Industries                 | BUY        | 3,450   | 2,956            |
| 8       | Rallis India                    | BUY        | 250     | 226              |
| 9       | Sharda Cropchem                 | BUY        | 660     | 446              |
| 10      | Sumitomo Chemical India         | BUY        | 610     | 493              |
| 11      | UPL                             | BUY        | 1,070   | 717              |

**PL's Recommendation Nomenclature (Absolute Performance)**

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>Buy</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |



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