

Coromandel International

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	CRIN IN
Equity Shares (m)	292
M.Cap.(INRb)/(USDb)	280 / 3.4
52-Week Range (INR)	1094 / 710
1, 6, 12 Rel. Per (%)	-9/-5/21
12M Avg Val (INR M)	484

Financials & Valuations (INR b)

Y/E Mar	2022	2023E	2024E
Sales	191.1	281.1	244.8
EBITDA	21.5	25.8	26.7
PAT	15.3	18.2	18.6
EBITDA (%)	11.2	9.2	10.9
EPS (INR)	52.1	62.2	63.2
EPS Gr. (%)	15.0	19.4	1.7
BV/Sh. (INR)	216.6	264.8	314.0

Ratios

Net D/E	-0.3	-0.2	-0.3
RoE (%)	26.6	25.8	21.8
RoCE (%)	27.5	25.3	21.2
Payout (%)	23.0	22.5	22.1

Valuations

P/E (x)	18.3	15.3	15.1
EV/EBITDA (x)	12.2	10.2	9.6
Div Yield (%)	1.3	1.5	1.5
FCF Yield (%)	6.3	0.6	4.3

Shareholding pattern (%)

	Sep-22	Jun-22	Sep-21
Promoter	57.5	57.5	57.5
DII	18.7	20.1	21.1
FII	9.9	8.0	7.6
Others	13.9	14.4	13.7

CMP: INR954

TP: INR1,140 (+20%)

Buy

Backward integration/better RM sourcing lead to earnings beat

- Coromandel International (CRIN) posted a robust operating performance in 2QFY23, with EBITDA surging 42% YoY driven by better per tonne margin in the Fertilizer business. This was achieved through backward integration, better outsourcing of raw materials, favorable agricultural environment in most of its key operating markets, and normal crop sowing coupled with favorable policies from the government.
- We cut our earnings estimates for FY23/FY24 by 5%/7%, as we reduce our EBITDA/MT/margins of Fertilizer/Crop Protection businesses. We expect Fertilizer margins to be under pressure in the coming quarter due to volatile raw material scenario. We value the stock at 18x FY24E EPS to arrive at our TP of INR1,140. We maintain our **BUY** rating on the stock.

Strong operating performance driven by the Fertilizer business

- CRIN reported revenue of INR101.1b (est. INR88.7b) in 2QFY23, up 65% YoY, led by higher realization and improved subsidy. Total phosphate fertilizer manufacturing volumes (including SSP) grew 17% YoY to 1.35MMT while total phosphate fertilizer manufacturing volumes (DAP and NPK), increased 19% YoY to 1.1MMT.
- The Nutrient and Other Allied business segment grew 73% YoY to INR94.6b. The Crop Protection segment remained flattish at INR7.1b, with utilizations at 53% (v/s 77% YoY) led by slowdown in production of Mancozeb due to the existing unsold inventory.
- EBIT for the Nutrient and Other Allied business rose 56% YoY to INR9.6b, while the same for Crop Protection business fell 12% YoY to INR1,053m.
- EBITDA rose 42% YoY to INR10.6b (est. INR9.7b). As per our calculations, manufacturing EBITDA/MT (including SSP) stood at INR6,323 (up 30% YoY, but down 6% QoQ). The same for total manufacturing phosphate fertilizers (DAP and NPK) stood at INR7,316 (up 28% YoY, down 6% QoQ).
- For 1HFY23, Revenue/EBITDA/Adj. PAT rose 61%/42%/45%, respectively.

Highlights from the management commentary

- Subsidy** outstanding as of Sep'22 stood at INR41.76b (v/s INR16.98b in Sep'21). Subsidy received from the government stood at INR38.66b in 2QFY23 (v/s INR16.7b in 2QFY22).
- Capex:** Management has maintained its capex guidance for FY23E at INR9b. CRIN is also looking to set up another liquid fertilizer plant and is working with the regulator for approval.
- Margin:** The company has raised its manufacturing fertilizer's profitability guidance from EBITDA/MT of INR4,500 for FY23 to ~INR5,500.

Valuation and view

- Going forward, the key growth levers will include: a) the management's focus on increasing penetration in its existing markets, b) debottlenecking to raise capacity and strengthen its back-end supply chain, c) efforts to lower the cost of raw material, while maintaining the same level of quality, and establish an alternative sourcing destination (which will aid cost savings), d) launch of three-to-four molecules in the Crop Protection segment, e) inorganic growth, and f) its focus on profitable growth in the Retail business by reorganizing stores based on consumption patterns.
- We expect revenue/EBITDA/PAT CAGR of 13%/11%/10% over FY22-24, respectively.
- We cut our earnings estimates for FY23/FY24 by 5%/7%, as we reduce our EBITDA/MT/margins of Fertilizer/Crop Protection businesses. We expect Fertilizer margins to be under pressure in the coming quarter due to volatile raw material scenario. We value the stock at 18x FY24E EPS to arrive at our TP of INR1,140. We maintain our **BUY** rating on the stock.

Quarterly Performance

(INR m)

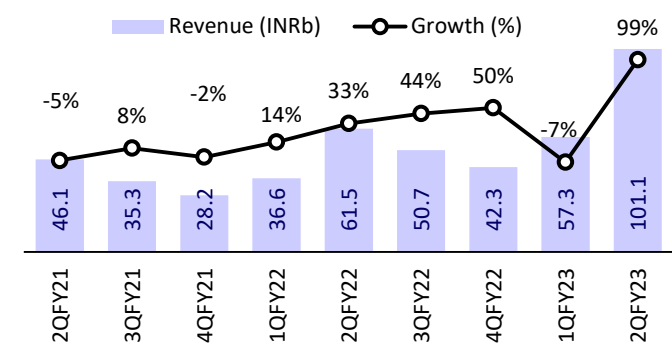
Y/E March	FY22				FY23				FY22	FY23E	FY23	Var
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	%
Net Sales	36,639	61,475	50,726	42,268	57,291	1,01,134	67,971	54,743	1,91,109	2,81,139	88,673	14
YoY Change (%)	14.0	33.3	43.6	49.6	56.4	64.5	34.0	29.5	34.8	47.1	44.2	
Total Expenditure	31,808	54,043	45,288	38,471	50,437	90,564	62,986	51,336	1,69,610	2,55,323	79,010	
EBITDA	4,831	7,432	5,439	3,797	6,854	10,570	4,986	3,407	21,499	25,816	9,663	9
Margins (%)	13.2	12.1	10.7	9.0	12.0	10.5	7.3	6.2	11.2	9.2	10.9	
Depreciation	423	421	429	454	446	457	510	520	1,727	1,933	460	
Interest	171	192	178	214	266	542	450	300	755	1,558	250	
Other Income	218	189	269	768	536	311	309	883	1,443	2,039	217	
PBT before EO expense	4,455	7,008	5,101	3,897	6,678	9,881	4,334	3,470	20,460	24,364	9,170	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	4,455	7,008	5,101	3,897	6,678	9,881	4,334	3,470	20,460	24,364	9,170	
Tax	1,104	1,819	1,298	992	1,703	2,481	1,091	873	5,213	6,149	2,308	
Rate (%)	24.8	26.0	25.4	25.4	25.5	25.1	25.2	25.2	25.5	25.2	25.2	
MI & P/L of Asso. Cos.	-27	-4	-13	7	-15	-6	-14	8	-37	-27	-5	
Reported PAT	3,378	5,193	3,816	2,898	4,991	7,406	3,257	2,589	15,285	18,243	6,866	8
Adj PAT	3,378	5,193	3,816	2,898	4,991	7,406	3,257	2,589	15,285	18,243	6,866	8
YoY Change (%)	34.8	-11.8	14.3	85.9	47.8	42.6	-14.6	-10.7	15.0	19.4	32.2	
Margins (%)	9.2	8.4	7.5	6.9	8.7	7.3	4.8	4.7	8.0	6.5	7.7	

Key Performance Indicators

Y/E March	FY22				FY23E				FY22	FY23E
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume Growth (%)	-2.3	10.6	-12.0	8.9	2.7	20.2	5.6	8.0	1.1	10.3
Manufacturing (%)	5.9	-0.2	8.1	1.4	-11.1	17.0	8.8	11.4	3.6	6.8
Trading (%)	-51.3	59.1	-52.6	33.9	183.3	29.1	-9.5	-0.4	-7.7	24.1
Mfg EBITDA/MT (INR)	4,084	4,650	4,249	3,690	6,715	6,323	3,800	3,600	3,959	0
Crop Protection Revenue Gr (%)	50.3	10.1	21.6	7.9	4.6	0.8	3.7	5.7	20.5	0.0
Cost Break-up										
RM Cost (% of sales)	69.3	76.4	75.7	74.3	75.3	81.4	82.0	81.0	74.4	80.2
Staff Cost (% of sales)	3.9	2.2	3.0	3.7	2.7	1.7	2.4	3.1	3.1	2.3
Freight Cost (% of sales)	6.7	4.9	5.3	5.1	4.3	3.0	3.5	3.8	5.4	3.6
Other Cost (% of sales)	6.9	4.4	5.3	7.9	5.7	3.5	4.8	5.9	5.9	4.7
Gross Margins (%)	30.7	23.6	24.3	25.7	24.7	18.6	18.0	19.0	25.6	19.8
EBITDA Margins (%)	13.2	12.1	10.7	9.0	12.0	10.5	7.3	6.2	11.2	9.2
EBIT Margins (%)	12.0	11.4	9.9	7.9	11.2	10.0	6.6	5.3	10.3	8.5

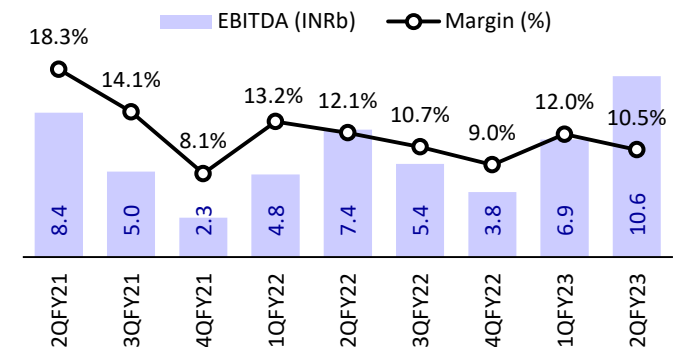
Key exhibits

Exhibit 1: Revenue trend



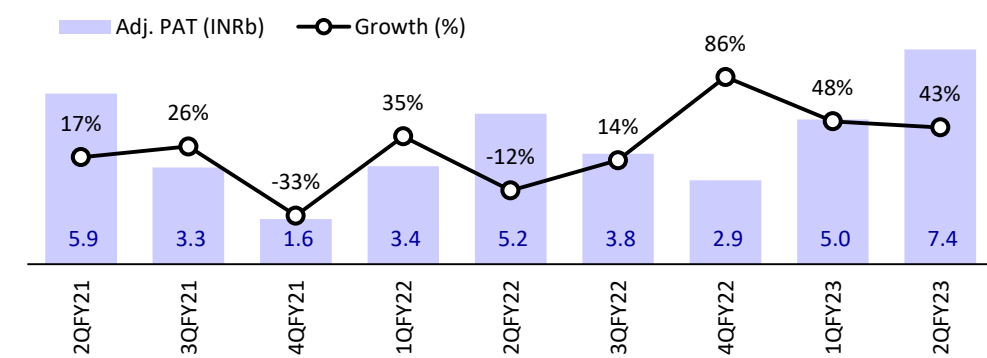
Source: Company, MOFSL

Exhibit 2: EBITDA trend



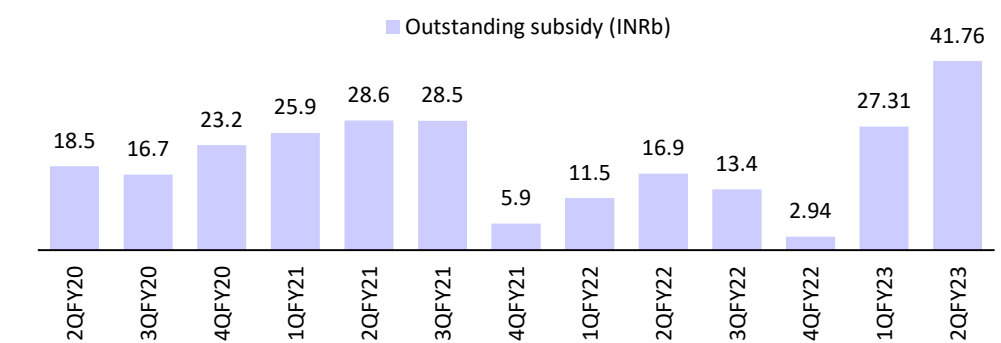
Source: Company, MOFSL

Exhibit 3: Adjusted PAT trend



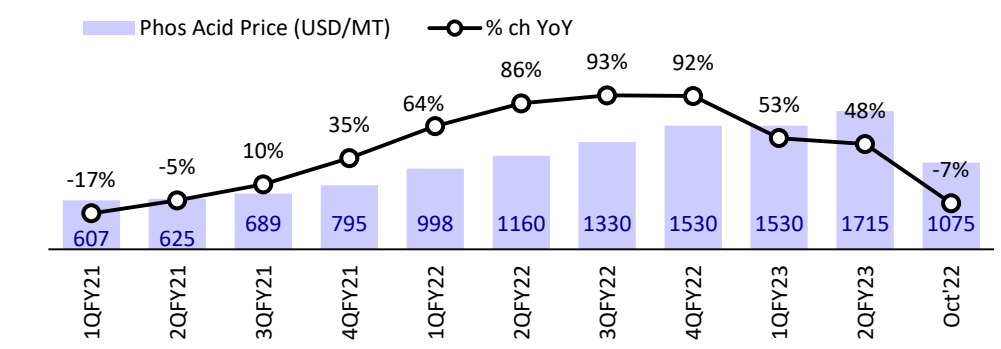
Source: Company, MOFSL

Exhibit 4: Trend in outstanding subsidy



Source: Company, MOFSL

Exhibit 5: Price trend in phosphoric acid



Source: Company, Bloomberg, MOFSL

Exhibit 6: Segmental revenue and EBIT trends

INR m	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Segment revenue									
Nutrient and Other Allied	40,142	30,453	23,652	30,705	54,784	44,836	36,828	51,105	94,612
YoY growth (%)	-9%	7%	-3%	9%	36%	47%	56%	66%	73%
Crop Protection	6,371	5,114	5,152	6,315	7,015	6,216	5,561	6,607	7,068
YoY growth (%)	25%	11%	17%	50%	10%	22%	8%	5%	1%
Less: Inter-segment	400	236	245	380	323	316	120	422	547
Total	46,113	35,330	28,560	36,639	61,475	50,736	42,268	57,291	1,01,134
Segment EBIT									
Nutrient and Other Allied	7,064	4,087	2,006	3,987	6,121	4,373	3,248	6,022	9,553
Margin (%)	17.6%	13.4%	8.5%	13.0%	11.2%	9.8%	8.8%	11.8%	10.1%
Crop Protection	1,385	894	646	823	1,198	928	735	867	1,053
Margin (%)	21.7%	17.5%	12.5%	13.0%	17.1%	14.9%	13.2%	13.1%	14.9%
Un-allocable expense	438	412	509	402	307	291	640	481	493
Total	8,011	4,570	2,142	4,408	7,011	5,010	3,343	6,408	10,112

Source: Company, MOFSL

Exhibit 7: Volume trend

Quarterly volume trend ('000MT)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Manufactured									
NPK	937	668	511	675	902	680	513	629	1,072
Growth (%)	-10%	4%	-12%	7%	-4%	2%	0%	-30%	58%
DAP	16	43	2	92	25	74	30	59	34
Growth (%)	-90%	-61%	-98%	-34%	58%	72%	1884%	133%	-54%
SSP	202	158	180	186	226	185	159	159	243
Growth (%)	4%	5%	64%	43%	12%	17%	-12%	-30%	31%
Total Manufacturing	1,155	869	692	953	1,153	939	702	847	1,349
Growth (%)	-17%	-3%	-12%	6%	0%	8%	1%	-27%	44%
Traded									
MOP	33	48	40	15	11	0	0	4	20
Growth (%)	-50%	20%	-20%	-50%	-67%	-100%	-100%	-64%	
DAP Traded	165	62	60	2	157	55	53	39	137
Growth (%)	817%	520%	501%	-96%	-5%	-11%	-12%	-75%	149%
NPK Traded	0	44	14	8	8	8	8	0	0
Urea	59	276	94	48	203	132	225	164	371
Growth (%)	-60%	84%	-15%	-20%	244%	-52%	140%	-19%	181%
Total Trading	257	430	208	73	378	195	286	207	528
Growth (%)	11%	115%	22%	-51%	47%	-55%	38%	-45%	171%
Total Trading + Mfg.	1,412	1,299	900	1,026	1,531	1,134	988	1,054	1,877
Growth (%)	-13%	18%	-6%	-2%	8%	-13%	10%	-31%	66%
Total NPK (mfg. + trading)	937	712	525	683	909	688	521	629	1,072
Growth (%)	-10%	11%	-10%	8%	-3%	-3%	-1%	-31%	56%
Total DAP (mfg. + trading)	181	105	62	94	182	129	83	98	171
Growth (%)	2%	-13%	-44%	-53%	1%	23%	35%	-46%	33%
Total phosphatic fertilizer	1,118	817	586	777	1,091	817	604	727	1,243
Growth (%)	-8%	8%	-15%	-6%	-2%	0%	3%	-33%	52%

Source: Company, MOFSL



Highlights from the management commentary

Agri scenario

- This was the fourth successive year of favorable monsoon. Overall, South West monsoon was 6% above normal level. However, the rainfall was very uneven with South/Central/North-west/East at 122% /119%/101%/82% of normal level. Further, excessive rainfall was witnessed in state of UP and Bihar in Oct'22
- Kharif sowing is similar to last year level.
- This year acreages were ~11.03m hectares with cotton doing well during the season. Higher acreage was seen in cotton in state of Gujarat, Maharashtra, Karnataka and Andhra Pradesh. However, paddy acreage was lower in Jharkhand, West Bengal, UP, MP, Andhra Pradesh and Bihar.
- Overall price realization is higher while yields are down v/s last year.
- North East Monsoon is expected to be normal.
- Reservoir levels are at around 108% that of last year and at 117% of average of last 10 years. This will bode well for the Rabi season.

Company-specific highlights

- Overall domestic demand is strong supported by good monsoon season
- Higher realization and better subsidy led to good performance during the quarter
- **Nutrition and allied segment** witnessed healthy growth during the quarter; it grew 77% during 2QFY23.
- The Nutrient and allied business contributed 94% of CRIN revenues, while the balance has come from the Crop Protection segment.
- Specialty nutrient is growing well and witnessed 25% YoY growth
- NANO fertilizer, Specialty nutrient, and organic are seeing good traction from farmers.
- **Crop Protection business:** CRIN has witnessed good domestic growth in the segment despite heavy rains in some of the regions
- CRIN has received five patents for its unique formulation products in the current year. Management is expecting good product launches in the upcoming year.
- The company had to slow down the production due to non-availability of material and very high prices of Mancozeb.
- The new MPP plant at Ankleshwar is expected to be ready for commissioning by Jan'23. This should complement and reduce dependence on Mancozeb
- Contribution of Mancozeb to total sales has come down to 45% in the current quarter from ~60-65% earlier
- CRIN is focusing on high-margin products in the segment.

Subsidy

- Subsidy approved by Cabinet for the NBS Rabi-2022 (from 1st Oct'22 to 31st Mar'23) was ~INR519b. The government announced the NBS Rate for the Rabi season which is very close with rates announced in the kharif season. The commodity prices are coming down and the company expects the government to come up with revised rates to align the prices.
- For 2QFY23, CRIN received subsidy of INR38.7b v/s subsidy of INR16.7b in 2QFY22.
- Outstanding subsidy as on end of 2QFY23 stood at INR41.8b v/s INR17b in 2QFY22.

- Management is expecting government to give majority of the subsidy by end of FY23.

Capex

- Capex of INR9b is on track. The company is also looking forward for debottlenecking capex and is also exploring option for future capacity expansion
- It is also looking to set up another liquid fertilizer plant and is working with the regulator for approval.
- For brownfield expansion, it will be important to tie up the sourcing before setting up the plant. It will take 18-20 months' time to commercialize the plant

Other key highlights

- The company has raised its manufacturing fertilizer's profitability guidance from EBITDA/MT of INR4,500 for FY23 to ~INR5,500. Further, the management indicated to maintain the similar per tonne margins in FY24.
- Global supply of key commodities was good during the quarter
- CRIN has carried out drone trials during the quarter that was very well accepted by the farmers
- Revenue contribution from subsidy business during 2QFY23 was at 89% v/s 83% in 1QFY23. Revenue contribution from non-subsidy business during 2QFY23 stood at 11% v/s 17% in 2QFY22
- EBITDA contribution from subsidy business during 2QFY23 was at 78% v/s 71% in 1QFY23. EBITDA contribution from non-subsidy business during 2QFY23 stood at 22% v/s 29% in 2QFY22
- During the quarter, CRIN launched a concentrated liquid calcium – 'Acumist Calcium'

Valuation and view

- Going forward, the key growth levers will include: a) the management's focus on increasing penetration in its existing markets, b) debottlenecking to raise capacity and strengthen its back-end supply chain, c) efforts to lower the cost of raw material, while maintaining the same level of quality, and establish an alternative sourcing destination (which will aid cost savings), d) launch of three-to-four molecules in the Crop Protection segment, e) inorganic growth, and f) its focus on profitable growth in the Retail business by reorganizing stores based on consumption patterns.
- We expect revenue/EBITDA/PAT CAGR of 13%/11%/10% over FY22-24, respectively.
- We cut our earnings estimates for FY23/FY24 by 5%/7%, as we reduce our EBITDA/MT/margins of Fertilizer/Crop Protection businesses. We expect Fertilizer margins to be under pressure in the coming quarter due to volatile raw material scenario. We value the stock at 18x FY24E EPS to arrive at our TP of INR1,140. We maintain our **BUY** rating on the stock.

Exhibit 8: Revisions to our estimates

Earnings change (INR m)	Old estimates		New estimates		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Revenue	2,73,846	2,38,872	2,81,139	2,44,822	3%	2%
EBITDA	26,537	27,839	25,816	26,673	-3%	-4%
Adj. PAT	19,128	19,959	18,242	18,552	-5%	-7%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Total Income from Operations	1,14,814	1,00,308	1,10,829	1,32,246	1,31,367	1,41,820	1,91,109	2,81,139	2,44,822
Change (%)	1.5	(12.6)	10.5	19.3	(0.7)	8.0	34.8	47.1	(12.9)
Total Expenditure	1,07,146	90,481	98,265	1,17,815	1,14,057	1,21,977	1,69,610	2,55,323	2,18,149
% of Sales	93.3	90.2	88.7	89.1	86.8	86.0	88.8	90.8	89.1
EBITDA	7,668	9,827	12,564	14,431	17,310	19,843	21,499	25,816	26,673
Margin (%)	6.7	9.8	11.3	10.9	13.2	14.0	11.2	9.2	10.9
Depreciation	1,061	1,007	991	1,138	1,580	1,731	1,727	1,933	2,346
EBIT	6,607	8,820	11,573	13,292	15,730	18,112	19,772	23,883	24,328
Int. and Finance Charges	2,209	2,238	1,783	2,507	2,353	1,057	755	1,558	1,000
Other Income	665	548	597	371	400	751	1,443	2,039	1,427
PBT bef. EO Exp.	5,062	7,130	10,387	11,156	13,777	17,806	20,460	24,364	24,755
EO Expense/(Income)	250	0	0	-239	0	0	0	0	0
PBT after EO Exp.	5,312	7,130	10,387	10,917	13,777	17,806	20,460	24,364	24,755
Current Tax	1,878	2,432	3,539	3,874	3,686	4,599	5,187	6,180	6,231
Deferred Tax	-161	-78	-71	-153	-551	-31	26	-32	0
Total Tax	1,716	2,353	3,468	3,721	3,135	4,568	5,213	6,149	6,231
Tax Rate (%)	32.3	33.0	33.4	34.1	22.8	25.7	25.5	25.2	25.2
Less: MI/Sh of profit/loss of JV & Ass.	22	7	6	-8	-8	-54	-37	-27	-28
Reported PAT	3,574	4,770	6,913	7,205	10,650	13,292	15,285	18,242	18,552
Adjusted PAT	3,324	4,770	6,913	7,443	10,650	13,292	15,285	18,242	18,552
Change (%)	-18.1	43.5	44.9	7.7	43.1	24.8	15.0	19.4	1.7
Margin (%)	2.9	4.8	6.2	5.6	8.1	9.4	8.0	6.5	7.6

Consolidated - Balance Sheet

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	291	292	292	293	293	293	294	294	294
Total Reserves	26,048	28,616	28,670	33,291	42,884	51,213	63,289	77,423	91,866
Net Worth	26,340	28,908	28,963	33,584	43,177	51,506	63,583	77,716	92,159
Deferred Liabilities	1,679	1,495	1,254	1,123	578	576	660	660	660
Total Loans	26,267	22,284	27,284	29,545	16,251	16	0	12,000	0
Capital Employed	54,286	52,686	57,501	64,252	60,007	52,098	64,243	90,376	92,820
Gross Block	23,550	24,612	25,625	26,631	31,166	36,849	39,337	47,407	52,407
Less: Accum. Deprn.	10,250	11,257	12,248	13,387	14,967	16,698	18,424	20,357	22,703
Net Fixed Assets	13,300	13,355	13,376	13,244	16,200	20,151	20,913	27,050	29,705
Goodwill on Consolidation	3	3	3	3	3	3	3	3	3
Capital WIP	309	137	375	1,756	654	898	1,412	1,841	1,841
Current Investments	3	1	1	1	0	0	0	0	0
Total Investments	4,772	3,885	2,214	2,008	2,113	2,138	2,435	2,435	2,435
Curr. Assets, Loans&Adv.	73,433	69,071	82,515	88,728	82,517	65,765	88,085	1,26,219	1,16,638
Inventory	23,458	17,246	22,625	32,414	26,971	26,009	36,632	53,917	46,952
Account Receivables	16,419	16,217	15,777	18,244	17,341	5,544	2,649	6,162	5,366
Govt Subsidies Receivable	23,671	25,570	26,269	23,935	23,162	5,897	2,941	7,702	6,707
Cash and Bank Balance	1,978	1,678	5,554	1,593	783	7,221	17,533	27,628	24,075
Loans and Advances	7,908	8,359	12,291	12,542	14,259	21,094	28,330	30,810	33,537
Curr. Liability & Prov.	37,531	33,764	40,983	41,488	41,481	36,857	48,605	67,172	57,802
Account Payables	32,329	29,345	33,786	37,625	33,481	29,222	39,135	55,600	46,123
Other Current Liabilities	4,945	4,129	6,952	3,542	7,643	7,281	9,132	10,783	10,732
Provisions	257	289	244	321	357	354	337	789	946
Net Current Assets	35,902	35,307	41,532	47,240	41,036	28,908	39,481	59,047	58,836
Appl. of Funds	54,286	52,686	57,501	64,252	60,007	52,098	64,243	90,376	92,820

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Basic (INR)									
EPS	11.4	16.4	23.6	25.4	36.3	45.3	52.1	62.2	63.2
Cash EPS	15.1	19.8	27.0	29.3	41.7	51.2	58.0	68.7	71.2
BV/Share	90.4	99.1	99.1	114.8	147.4	175.5	216.6	264.8	314.0
DPS	2.5	4.0	6.5	6.5	12.0	12.0	12.0	14.0	14.0
Payout (%)	24.5	29.4	33.0	31.7	39.6	26.5	23.0	22.5	22.1
Valuation (x)									
P/E	83.6	58.3	40.4	37.5	26.2	21.1	18.3	15.3	15.1
Cash P/E	63.4	48.2	35.3	32.5	22.9	18.6	16.5	13.9	13.4
P/BV	10.6	9.6	9.6	8.3	6.5	5.4	4.4	3.6	3.0
EV/Sales	2.6	3.0	2.7	2.3	2.2	1.9	1.4	0.9	1.0
EV/EBITDA	39.4	30.4	23.9	21.3	17.0	13.7	12.2	10.2	9.6
Dividend Yield (%)	0.3	0.4	0.7	0.7	1.3	1.3	1.3	1.5	1.5
FCF per share	7.0	30.1	4.8	8.7	51.8	121.3	60.6	5.8	41.2
Return Ratios (%)									
RoE	13.4	17.3	23.9	23.8	27.7	28.1	26.6	25.8	21.8
RoCE	10.1	12.1	15.1	15.1	20.3	25.3	27.5	25.3	21.2
RoIC	10.4	12.5	16.0	16.2	21.1	27.4	34.8	35.2	29.6
Working Capital Ratios									
Fixed Asset Turnover (x)	5	4	4	5	4	4	5	6	5
Asset Turnover (x)	2.1	1.9	1.9	2.1	2.2	2.7	3.0	3.1	2.6
Inventory (Days)	75	63	75	89	75	67	70	70	70
Debtor (Days)	52	59	52	50	48	14	5	8	8
Govt Subs Receivable (days)	75	93	87	66	64	15	6	10	10
Creditor (Days)	135	150	162	147	135	110	100	90	90
Others (Days)									
Working Capital Turnover (Days)	108	122	118	126	112	56	42	41	52
Leverage Ratio (x)									
Current Ratio	2.0	2.0	2.0	2.1	2.0	1.8	1.8	1.9	2.0
Interest Cover Ratio	3	4	6	5	7	17	26	15	24
Debt/Equity	1.0	0.8	0.9	0.9	0.4	0.0	0.0	0.2	0.0

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
NP/(Loss) Before Tax and EO Items	5,062	7,130	10,387	11,156	13,777	17,806	20,460	24,364	24,755
Depreciation	1,061	1,007	991	1,138	1,580	1,731	1,727	1,933	2,346
Interest & Finance Charges	1,545	1,690	119	1,783	2,353	1,057	755	-481	-427
Direct Taxes Paid	-1,716	-2,353	-3,498	-3,709	-3,135	-4,568	-5,213	-6,149	-6,231
(Inc)/Dec in WC	-3,039	2,195	-7,540	-4,601	4,044	25,476	3,052	-9,472	-3,342
CF from Operations	2,913	9,669	459	5,768	18,620	41,502	20,781	10,196	17,101
Others	0	0	2,174	-504	0	0	0	0	0
CF from Operating incl EO	2,913	9,669	2,633	5,264	18,620	41,502	20,781	10,196	17,101
(inc)/dec in FA	-869	-890	-1,230	-2,731	-3,434	-5,926	-3,002	-8,500	-5,000
Free Cash Flow	2,044	8,779	1,402	2,534	15,186	35,576	17,779	1,696	12,101
(Pur)/Sale of Investments	-275	887	0	0	-105	-25	-297	0	0
Others	665	548	2,483	-4,053	1,320	-6,622	-12,921	2,039	1,427
CF from Investments	-479	546	1,253	-6,784	-2,219	-12,572	-16,220	-6,461	-3,573
Issue of Shares	0	0	167	45	1	0	0	0	0
Inc/(Dec) in Debt	5,047	-3,983	4,437	2,316	-13,294	-16,235	-16	12,000	-12,000
Interest Paid	-2,209	-2,238	-1,801	-2,511	-2,353	-1,057	-755	-1,558	-1,000
Dividend Paid	-876	-1,403	-2,813	-2,292	-4,219	-3,521	-3,522	-4,109	-4,109
Others	-5,517	-2,890	0	0	2,654	-1,679	10,044	27	28
CF from Fin. Activity	-3,556	-10,513	-10	-2,441	-17,211	-22,491	5,751	6,360	-17,081
Inc/Dec of Cash	-1,121	-299	3,876	-3,961	-810	6,438	10,312	10,095	-3,553
Add: Beginning Balance	3,099	1,977	1,678	5,554	1,593	783	7,221	17,533	27,628
Closing Balance	1,977	1,678	5,554	1,593	783	7,221	17,533	27,628	24,075

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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