

# The Ramco Cements

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	TRCL IN
Equity Shares (m)	236
M.Cap.(INRb)/(USDb)	165.7 / 2
52-Week Range (INR)	905 / 575
1, 6, 12 Rel. Per (%)	-1/-9/-23
12M Avg Val (INR M)	374

## Financial Snapshot (INR b)

Y/E Mar	FY23E	FY24E	FY25E
Sales	77.1	83.2	91.5
EBITDA	11.0	15.5	18.7
Adj. PAT	2.9	5.0	7.2
EBITDA Margin (%)	14.2	18.6	20.4
Adj. EPS (INR)	12.3	21.3	30.5
EPS Gr. (%)	-50.7	73.2	43.2
BV/Sh. (INR)	285	303	330

## Ratios

Net D:E	0.8	0.7	0.6
RoE (%)	4.4	7.2	9.6
RoCE (%)	4.1	5.8	7.4
Payout (%)	24.4	16.4	11.5

## Valuations

P/E (x)	56.9	32.9	23.0
P/BV (x)	2.5	2.3	2.1
EV/EBITDA(x)	19.3	13.7	11.1
EV/ton (USD)	125	116	113
Div. Yield (%)	0.4	0.5	0.5
FCF Yield (%)	-6.5	3.1	5.5

## Shareholding pattern (%)

As On	Dec-22	Sep-22	Dec-21
Promoter	42.3	42.3	42.5
DII	35.6	37.1	35.7
FII	7.1	6.6	8.2
Others	14.9	13.9	13.7

FII Includes depository receipts

**CMP: INR701 TP: INR700 Neutral**

## Higher realization drives earnings beat

### Average fuel price in 4Q likely to be same as in 3Q

- The Ramco Cements (TRCL)'s 3QFY23 performance was above our estimates on better realization growth. EBITDA stood at INR2.85b (v/s est. INR2.6b), while blended EBITDA/t was at INR797 (v/s est. INR735). Net profit reported was INR674m (v/s est. INR522m) in 3QFY23.
- Capacity utilization has improved by 9pp YoY to 70% in 3QFY23. Capacity expansion, along with increasing focus on the non-trade segment, will drive volume growth and we estimate volume CAGR of 9.5% over FY23-25E.
- The management indicated an average energy cost in 4QFY23 to remain at similar levels of 3Q, given the volatility in fuel prices. We reiterate our **Neutral** rating, with a TP of INR700, based on 12.5x Sep'24E EV/EBITDA.

## Cement realization grew 6% QoQ; EBITDA/t stood at INR797

- TRCL's revenue/EBITDA/PAT stood at INR20b/INR2.85b/INR674 (up 30%/up 23%/down 18% YoY and 3%/9%/29% above our estimate), respectively. Cement realization was up 9% YoY (up 6% QoQ), 2% above our estimates. Sales volume increased 19% YoY/8% QoQ.
- OPEX/t rose 10% YoY, led by a 23% rise in variable cost (down 3% QoQ). Freight cost was up 5% QoQ, led by an increase in rail freight rates and higher lead distance. EBITDA/t increased 4% YoY/44% QoQ. Depreciation expenses rose 37% YoY, on commissioning of new capacities, while interest expense rose 141% YoY on higher debt.
- In 9MFY23, revenue jumped 30% YoY, primarily led by volumes (29.7% growth). Cost pressures (Opex/t up 13% YoY) led to a 22% YoY decline in EBITDA to INR7.7b. OPM fell 9pp YoY to 13.8% and EBITDA/t declined 40% YoY to INR755. Adjusted PAT was down 59% YoY to INR1.9b.

## Highlights from the management commentary

- Volume growth should be at 30% YoY in FY23E (~30% in 9MFY23) and 10% YoY in FY24. Cement prices remain volatile and the management expects some increase in prices going forward.
- Average fuel price in 4Q is expected to remain at similar levels of 3QFY23. Fuel prices remain volatile and at spot prices, imported coal consumption cost is higher than petcoke (on kcal basis).
- Modernization work at RR Nagar plant (1.44mtpa clinker capacity) will be commissioned before Mar'23. The company is looking to monetize non-core assets (mainly Land) of INR3-4b, which will be used to repay debt.

## Higher leverage remains key concern; reiterate Neutral

- TRCL's net debt spiked due to higher working capital requirement and increase in capex guidance. We expect FY24 net debt/EBITDA to be at 3.2x v/s average of 1.8x over FY16-22. Also, elevated costs and muted pricing trend remains an overhang on substantial improvement in profitability.
- At CMP, the stock trades at 13.7x FY24E EV/EBITDA (in-line with its 10-year average 1-year forward EV/EBITDA). We value TRCL at 12.5x Sep'24E EV/EBITDA and reiterate our Neutral rating with a TP of INR700.

**Sanjeev Kumar Singh - Research analyst** (Sanjeev.Singh@MotilalOswal.com)

**Mudit Agarwal - Research analyst** (Mudit.Agarwal@MotilalOswal.com)

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

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## Quarterly Performance

(INR b)

Y/E March	FY22				FY23				FY22	FY23E	FY23	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Sales Dispatches (m ton)	2.14	2.71	3.01	3.19	3.31	3.31	3.57	3.84	11.05	14.03	3.54	1
YoY Change (%)	10.4	22.6	15.0	(0.6)	54.6	22.1	18.7	20.3	10.7	27.0	17.8	
Realization (INR/ton)	5,648	5,386	5,138	5,346	5,298	5,312	5,623	5,572	5,359	5,459	5,512	2
YoY Change (%)	6.9	(3.1)	0.9	5.4	(6.2)	(1.4)	9.4	4.2	2.6	1.9	7.3	
QoQ Change (%)	11.4	(4.6)	(4.6)	4.0	(0.9)	0.3	5.9	(0.9)			3.8	
<b>Net Sales</b>	<b>12.3</b>	<b>14.9</b>	<b>15.5</b>	<b>17.1</b>	<b>17.7</b>	<b>17.8</b>	<b>20.1</b>	<b>21.5</b>	<b>59.8</b>	<b>77.1</b>	<b>19.6</b>	3
YoY Change (%)	17.9	18.8	15.7	4.8	44.3	19.5	29.7	25.5	13.5	28.9	26.3	
<b>Total Expenditure</b>	<b>8.6</b>	<b>11.0</b>	<b>13.2</b>	<b>14.1</b>	<b>14.7</b>	<b>16.0</b>	<b>17.2</b>	<b>18.2</b>	<b>47.0</b>	<b>66.2</b>	<b>17.0</b>	(52)
<b>EBITDA</b>	<b>3.6</b>	<b>3.9</b>	<b>2.3</b>	<b>3.0</b>	<b>3.0</b>	<b>1.8</b>	<b>2.8</b>	<b>3.3</b>	<b>12.8</b>	<b>11.0</b>	<b>2.6</b>	9
Margins (%)	29.6	26.4	14.9	17.3	17.0	10.3	14.2	15.2	21.5	14.2	13.3	
Depreciation	1.0	1.0	1.0	1.1	1.1	1.2	1.4	1.3	4.0	4.9	1.3	6
Interest	0.2	0.3	0.3	0.3	0.5	0.6	0.6	0.7	1.1	2.3	0.6	(3)
Other Income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.1	20
<b>PBT before EO expense</b>	<b>2.5</b>	<b>2.7</b>	<b>1.1</b>	<b>1.6</b>	<b>1.5</b>	<b>0.2</b>	<b>1.0</b>	<b>1.4</b>	<b>8.0</b>	<b>4.0</b>	<b>0.8</b>	26
<b>PBT</b>	<b>2.5</b>	<b>2.7</b>	<b>1.1</b>	<b>1.6</b>	<b>1.5</b>	<b>0.2</b>	<b>1.0</b>	<b>1.4</b>	<b>8.0</b>	<b>4.0</b>	<b>0.8</b>	26
Tax	0.8	(2.4)	0.3	0.4	0.4	0.0	0.3	0.4	(0.9)	1.1	0.3	
Rate (%)	32.4	21.4	27.1	24.4	27.0	28.4	30.7	27.2	(11.4)	28.0	32.4	
<b>Reported PAT</b>	<b>1.7</b>	<b>5.2</b>	<b>0.8</b>	<b>1.2</b>	<b>1.1</b>	<b>0.1</b>	<b>0.7</b>	<b>1.0</b>	<b>8.9</b>	<b>2.9</b>	<b>0.5</b>	29
<b>Adj PAT</b>	<b>1.7</b>	<b>2.2</b>	<b>0.8</b>	<b>1.2</b>	<b>1.1</b>	<b>0.1</b>	<b>0.7</b>	<b>1.0</b>	<b>5.9</b>	<b>2.9</b>	<b>0.5</b>	29
YoY Change (%)	54.2	(8.7)	(59.0)	(42.5)	(33.6)	(94.7)	(18.4)	(19.0)	(22.5)	(50.7)	(36.8)	
Margins (%)	13.8	14.4	5.3	7.2	6.3	0.6	3.4	4.7	9.9	3.8	2.7	

## Per ton analysis (incl. Windmills)

(INR/t)

<b>Net realization</b>	<b>5,739</b>	<b>5,510</b>	<b>5,152</b>	<b>5,354</b>	<b>5,355</b>	<b>5,391</b>	<b>5,627</b>	<b>5,585</b>	<b>5,413</b>	<b>5,496</b>	<b>5,523</b>	2
RM Cost	696	790	857	845	798	815	779	836	806	808	800	(3)
Employee Expenses	490	404	351	295	327	339	316	293	375	318	325	(3)
Power, Oil & Fuel	1,031	1,056	1,380	1,462	1,584	2,013	1,967	1,845	1,257	1,854	1,943	1
Freight and Handling Outward	1,073	1,108	1,111	1,097	1,087	1,052	1,109	1,070	1,099	1,079	1,070	4
Other Expenses	748	698	684	730	650	617	659	693	713	656	650	1
<b>Total Expenses</b>	<b>4,039</b>	<b>4,056</b>	<b>4,384</b>	<b>4,430</b>	<b>4,447</b>	<b>4,835</b>	<b>4,829</b>	<b>4,736</b>	<b>4,251</b>	<b>4,715</b>	<b>4,788</b>	1
<b>EBITDA</b>	<b>1,700</b>	<b>1,453</b>	<b>768</b>	<b>925</b>	<b>908</b>	<b>555</b>	<b>797</b>	<b>850</b>	<b>1,162</b>	<b>781</b>	<b>735</b>	8
<b>Cement EBITDA (excl. Windmills)</b>	<b>1,636</b>	<b>1,350</b>	<b>774</b>	<b>932</b>	<b>867</b>	<b>492</b>	<b>808</b>	<b>852</b>	<b>1,128</b>	<b>760</b>	<b>739</b>	9

Source: Company, MOFSL Estimates



## Highlights from the management commentary

## Demand and pricing

- Cement demand from IHB and infrastructure projects (mainly road projects) has picked up in the South region. In the East region, infrastructure and commercial segments have grown while IHB demand has remained flat. Volume growth should be at ~30% in FY23E (grew 30% YoY in 9MFY23). Industry demand should be robust amid good monsoon and increased allocation towards infrastructure and PMAY in Union Budget 2023.
- Cement prices are volatile and there was some price decline in cement prices in Jan'23. The management is expecting the prices to improve as demand remains robust.

## Operational highlights

- Capacity utilization stood at 70% in 3QFY23 v/s 61%/66% in 3QFY22/2QFY23, respectively. The capacity utilization of clinker plant at Kurnool, AP has reached ~55% in 3QFY23.
- Share of premium products increased 3pp QoQ to 26% (up 3pp YoY to 25% for 9MFY23).

- Lead distance was at 299kms (down 8% YoY) v/s 279km in 2QFY23. Rail: Road mix was at 10%:90% v/s 15%:85% in 3QFY22 and 9%:91% in 2QFY23. Resumption of busy season surcharge by Indian Railways led to a cost increase of ~INR50/t.
- Blended fuel consumption cost stood at USD191/t v/s USD199/t in 2QFY23 and USD179/t in 9MFY23. Fuel prices have started rising again and the average cost in 4Q is expected to remain at similar levels of 3QFY23. It used 59% petcoke (v/s 37% in 3QFY22 and 54% in 2QFY23), 32% coal (v/s 46% in 3QFY22 and 34% in 2QFY23) and 9% alternate fuel (v/s 17% in 3QFY22 and 12% in 2QFY23). At spot prices, the usage of imported coal will be costlier than petcoke.
- Green energy contributed 20% of power requirements v/s 15%/22% in 3QFY22/2QFY23, respectively. 27MW of WHRS at the Jayanthipuram plant has stabilized and meets ~50% of power requirement of this plant. WHRS (12MW) at the Kurnool plant will be commissioned in a phased manner in the next few quarters and will help to reduce power cost.
- Power generation from the wind plant was down 12% YoY. Revenue was down 63% YoY at INR15m. Operating loss stood at INR37m v/s INR19m in 3QFY22.

### Capex and project update

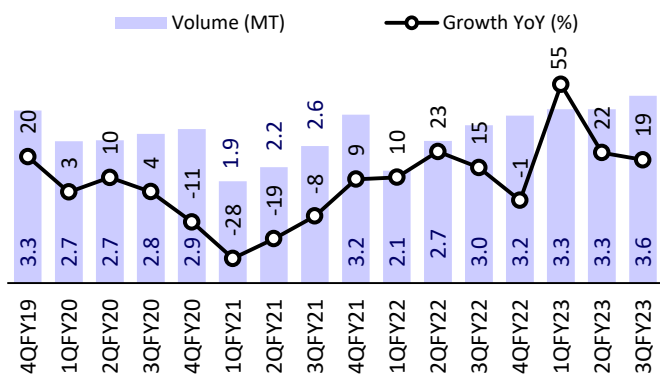
- For Bommanahalli, Karnataka Greenfield project land acquisition has not yet started with pending government approval.
- It has started civil construction for grinding capacity expansion at Haridaspur, Odisha (capacity will be increased by 0.9mtpa to 1.8mtpa). This expansion is expected to get completed by Sep'23.
- Modernization work at RR Nagar plant (1.44mtpa clinker capacity) will be commissioned before Mar'23.
- Out of 12MW WHRS capacity at in Kurnool, 5MW was commissioned in Nov'22, another 3MW will be commissioned in Feb'23 and the remaining 4MW will be commissioned by May'23. Thermal power plant (capacity of 18 MW) and railway siding at this plant will be commissioned in FY24E.
- The company has commissioned one dry-mix mortar plants (capacity: 80tons/hour) in Tamil Nadu in Dec'22 and another plant with similar capacity will be commissioned in Feb'23. The other two units in Andhra Pradesh and Odisha is expected to be completed in FY24E.
- In 3QFY23, the company's capex stood at INR3.90b (INR13.8b in 9MFY23). The company maintains a capex guidance of INR17.2b/INR8.5b for FY23E/FY24E, respectively.

### Debt and other highlights

- Net debt has declined INR1.8b QoQ to INR45.6b (it includes interest-free loan of INR1.9b). There should not be any decline in working capital in 4Q (some moderation happened in 3Q). Also, due to volatile fuel prices, it would maintain the same level of inventory for any contingences.
- The company is looking to sale non-core assets (mainly Land) of INR3-4b, which will be used to repay debt.

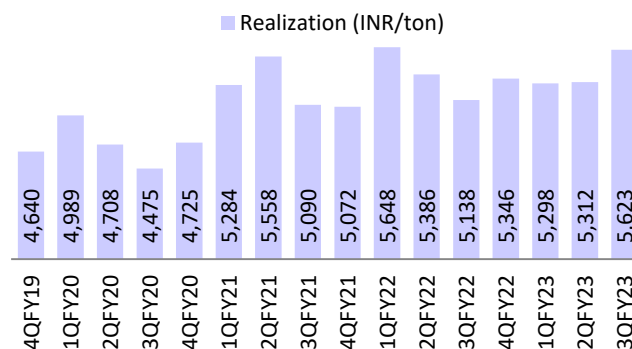
## Story in charts

**Exhibit 1: Sales volume grew 19% YoY and 8% QoQ**



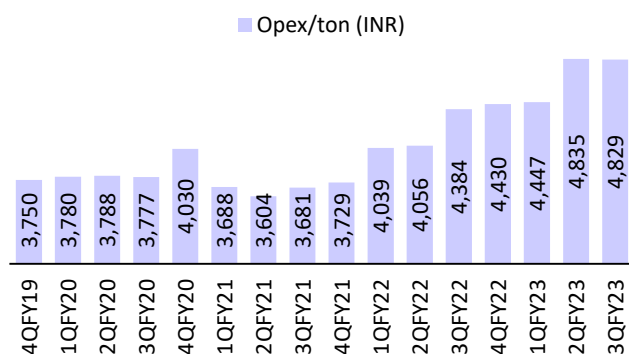
Source: MOFSL, Company

**Exhibit 2: Cement realization up 9% YoY and 6% QoQ**



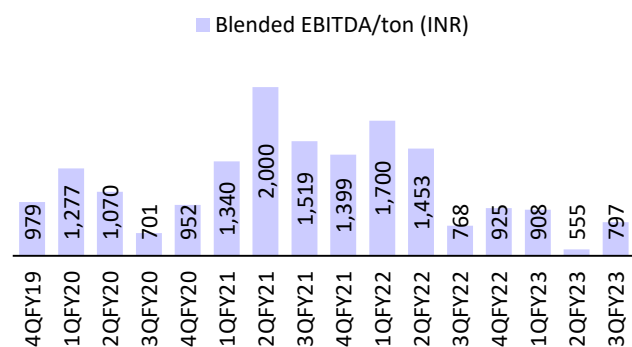
Source: MOFSL, Company

**Exhibit 3: Opex/t increased 10% YoY (flat QoQ)**



Source: MOFSL, Company

**Exhibit 4: Blended EBITDA/t improved 4% YoY/64% QoQ**



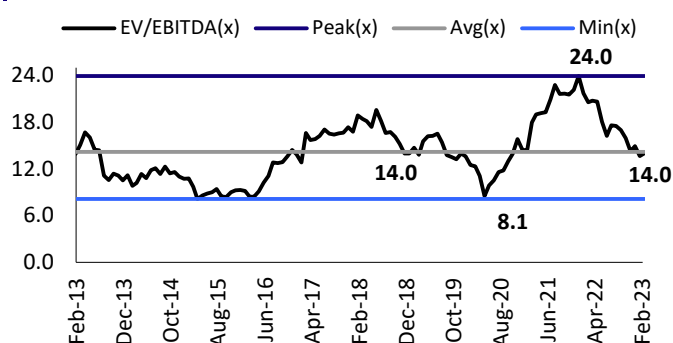
Source: MOFSL, Company

**Exhibit 5: Key Performance Indicators – per ton analysis**

INR/t	3QFY23	3QFY22	YoY (%)	2QFY23	QoQ (%)
<b>Net realization</b>	<b>5,623</b>	<b>5,138</b>	<b>9.4</b>	<b>5,312</b>	<b>5.9</b>
RM Cost	779	857	(9.0)	815	(4.4)
Employee Expenses	316	351	(10.1)	339	(6.7)
Power, Oil & Fuel	1,967	1,380	42.5	2,013	(2.3)
Freight and Handling Outward	1,109	1,111	(0.3)	1,052	5.4
Other Expenses	659	684	(3.7)	617	6.8
<b>Total Expenses</b>	<b>4,829</b>	<b>4,384</b>	<b>10.2</b>	<b>4,835</b>	<b>(0.1)</b>
<b>EBITDA</b>	<b>797</b>	<b>768</b>	<b>3.9</b>	<b>555</b>	<b>43.6</b>
<b>Cement EBITDA (ex-Windmills)</b>	<b>808</b>	<b>774</b>	<b>4.4</b>	<b>492</b>	<b>64.2</b>

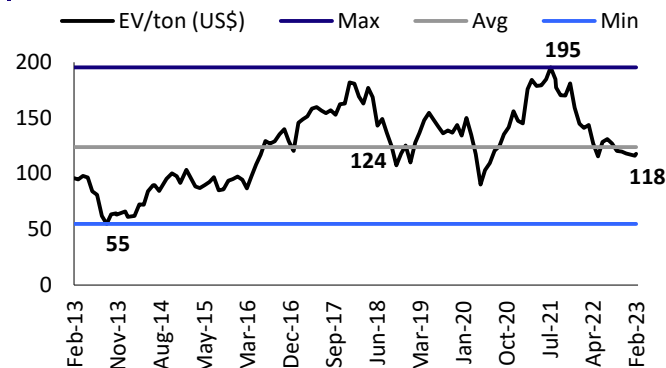
Source: MOFSL, Company

**Exhibit 6: One-year forward EV/EBITDA chart**



Source: MOFSL, Company

**Exhibit 7: One-year forward EV/ton chart**



Source: MOFSL, Company

## Financials and valuations

Income Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>Net Sales</b>	<b>43,851</b>	<b>51,220</b>	<b>53,435</b>	<b>52,684</b>	<b>59,800</b>	<b>77,109</b>	<b>83,175</b>	<b>91,459</b>
Change (%)	11.6	16.8	4.3	-1.4	13.5	28.9	7.9	10.0
<b>EBITDA</b>	<b>10,658</b>	<b>10,123</b>	<b>11,117</b>	<b>15,480</b>	<b>12,838</b>	<b>10,954</b>	<b>15,501</b>	<b>18,657</b>
Margin (%)	24.3	19.8	20.8	29.4	21.5	14.2	18.6	20.4
Depreciation	2,922	2,985	3,153	3,553	4,008	4,947	5,982	6,306
<b>EBIT</b>	<b>7,736</b>	<b>7,138</b>	<b>7,964</b>	<b>11,927</b>	<b>8,830</b>	<b>6,007</b>	<b>9,518</b>	<b>12,351</b>
Int. and Finance Charges	592	509	714	876	1,124	2,302	2,876	2,698
Other Income - Rec.	579	527	622	346	306	336	356	366
<b>PBT bef. EO Exp.</b>	<b>7,723</b>	<b>7,156</b>	<b>7,872</b>	<b>11,397</b>	<b>8,012</b>	<b>4,040</b>	<b>6,997</b>	<b>10,019</b>
EO Expense/(Income)	87	30	0	0	0	0	0	0
<b>PBT after EO Exp.</b>	<b>7,636</b>	<b>7,126</b>	<b>7,872</b>	<b>11,397</b>	<b>8,012</b>	<b>4,040</b>	<b>6,997</b>	<b>10,019</b>
Current Tax	1,859	1,846	1,393	2,440	1,768	1,131	1,959	2,805
Deferred Tax	220	221	469	1,346	-2,682	0	0	0
Tax Rate (%)	27.2	29.0	23.6	33.2	-11.4	28.0	28.0	28.0
<b>Reported PAT</b>	<b>5,557</b>	<b>5,059</b>	<b>6,011</b>	<b>7,611</b>	<b>8,927</b>	<b>2,909</b>	<b>5,038</b>	<b>7,213</b>
<b>PAT Adj for EO items</b>	<b>5,644</b>	<b>5,089</b>	<b>6,011</b>	<b>7,611</b>	<b>5,899</b>	<b>2,909</b>	<b>5,038</b>	<b>7,213</b>
Change (%)	-12.8	-9.8	18.1	26.6	-22.5	-50.7	73.2	43.2
Margin (%)	12.9	9.9	11.2	14.4	9.9	3.8	6.1	7.9
Balance Sheet								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	236	236	236	236	236	236	236	236
Total Reserves	40,186	44,366	48,950	56,032	65,012	67,212	71,423	77,810
<b>Net Worth</b>	<b>40,422</b>	<b>44,601</b>	<b>49,186</b>	<b>56,268</b>	<b>65,249</b>	<b>67,449</b>	<b>71,660</b>	<b>78,046</b>
Deferred Liabilities	7,597	8,704	9,172	10,877	8,240	8,240	8,240	8,240
Total Loans	11,132	16,187	30,241	31,017	39,300	52,800	51,800	46,300
<b>Capital Employed</b>	<b>59,150</b>	<b>69,493</b>	<b>88,599</b>	<b>98,162</b>	<b>1,12,789</b>	<b>1,28,489</b>	<b>1,31,700</b>	<b>1,32,586</b>
Gross Block	81,976	84,945	93,901	1,06,223	1,18,037	1,60,677	1,71,677	1,78,677
Less: Accum. Deprn.	31,121	33,514	35,757	38,720	42,728	47,675	53,657	59,964
<b>Net Fixed Assets</b>	<b>50,854</b>	<b>51,431</b>	<b>58,144</b>	<b>67,503</b>	<b>75,309</b>	<b>1,13,002</b>	<b>1,18,019</b>	<b>1,18,713</b>
Capital WIP	1,500	8,308	18,143	23,255	30,340	5,000	3,000	3,000
<b>Total Investments</b>	<b>3,968</b>	<b>4,294</b>	<b>4,275</b>	<b>4,369</b>	<b>4,220</b>	<b>4,220</b>	<b>4,220</b>	<b>4,220</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>14,581</b>	<b>17,049</b>	<b>19,908</b>	<b>18,331</b>	<b>20,687</b>	<b>24,724</b>	<b>25,101</b>	<b>27,438</b>
Inventory	5,599	5,597	6,453	5,979	8,333	9,507	9,571	10,524
Account Receivables	4,423	4,900	5,269	3,752	3,498	5,281	5,013	5,513
Cash and Bank Balance	1,194	928	914	1,419	1,760	1,486	1,858	1,880
Loans and Advances	3,365	5,625	7,273	7,181	7,095	8,450	8,659	9,522
<b>Curr. Liability &amp; Prov.</b>	<b>11,754</b>	<b>11,589</b>	<b>11,871</b>	<b>15,296</b>	<b>17,767</b>	<b>18,457</b>	<b>18,641</b>	<b>20,785</b>
Account Payables	11,183	11,179	11,341	14,655	16,985	17,957	17,774	19,545
Provisions	571	410	531	641	782	500	866	1,240
<b>Net Current Assets</b>	<b>2,827</b>	<b>5,461</b>	<b>8,037</b>	<b>3,035</b>	<b>2,920</b>	<b>6,267</b>	<b>6,461</b>	<b>6,653</b>
<b>Appl. of Funds</b>	<b>59,150</b>	<b>69,493</b>	<b>88,599</b>	<b>98,162</b>	<b>1,12,789</b>	<b>1,28,489</b>	<b>1,31,700</b>	<b>1,32,586</b>

Source: Company, MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>24.0</b>	<b>21.6</b>	<b>25.5</b>	<b>32.3</b>	<b>25.0</b>	<b>12.3</b>	<b>21.3</b>	<b>30.5</b>
Cash EPS	36.4	34.3	38.9	47.3	41.9	33.2	46.6	57.2
BV/Share	171.6	189.3	208.8	238.5	276.1	285.4	303.3	330.3
DPS	3.0	3.0	2.5	3.0	3.5	3.0	3.5	3.5
Payout (%)	12.7	16.8	11.8	9.3	9.3	24.4	16.4	11.5
<b>Valuation (x)</b>								
P/E	29.3	32.5	27.5	21.7	28.1	56.9	32.9	23.0
Cash P/E	19.3	20.5	18.0	14.8	16.7	21.1	15.0	12.3
P/BV	4.1	3.7	3.4	2.9	2.5	2.5	2.3	2.1
EV/Sales	4.0	3.4	3.3	3.3	2.9	2.7	2.5	2.3
EV/EBITDA	16.3	17.0	15.8	11.1	13.4	19.3	13.7	11.1
EV/Ton (USD)	126	125	113	107	107	125	116	113
Dividend Yield (%)	0.4	0.4	0.4	0.4	0.5	0.4	0.5	0.5
<b>Return Ratios (%)</b>								
RoIC	10.7	9.3	10.0	11.9	13.5	4.5	5.7	7.2
RoE	14.5	12.0	12.8	14.4	9.7	4.4	7.2	9.6
RoCE	11.7	9.7	9.4	9.8	10.6	4.1	5.8	7.4
<b>Working Capital Ratios</b>								
Asset Turnover (x)	0.7	0.7	0.6	0.5	0.5	0.6	0.6	0.7
Inventory (Days)	46.6	39.9	44.1	41.4	50.9	45.0	42.0	42.0
Debtor (Days)	35.5	34.9	36.0	26.0	21.3	25.0	22.0	22.0
Creditor (Days)	93.1	79.7	77.5	101.5	103.7	85.0	78.0	78.0
<b>Leverage Ratio (x)</b>								
Current Ratio	1.2	1.5	1.7	1.2	1.2	1.3	1.3	1.3
Debt/Equity	0.3	0.4	0.6	0.6	0.6	0.8	0.7	0.6

### Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
OP/(Loss) before Tax	7,847	7,156	7,872	11,397	8,012	4,040	6,997	10,019
Depreciation	2,922	2,985	3,153	3,553	4,008	4,947	5,982	6,306
Interest & Finance Charges	436	404	714	876	1,124	2,302	2,876	2,698
Direct Taxes Paid	-1,713	-1,584	-1,861	-3,786	915	-1,131	-1,959	-2,805
(Inc)/Dec in WC	1,564	-929	-2,590	5,507	457	-3,622	178	-171
<b>CF from Operations</b>	<b>11,055</b>	<b>8,032</b>	<b>7,287</b>	<b>17,547</b>	<b>14,516</b>	<b>6,537</b>	<b>14,075</b>	<b>16,047</b>
Others	74	-127	-273	-272	-272	0	0	0
<b>CF from Operating incl EO</b>	<b>11,129</b>	<b>7,904</b>	<b>7,014</b>	<b>17,275</b>	<b>14,244</b>	<b>6,537</b>	<b>14,075</b>	<b>16,047</b>
(Inc)/Dec in FA	-4,942	-12,018	-18,791	-17,434	-18,900	-17,300	-9,000	-7,000
<b>Free Cash Flow</b>	<b>6,187</b>	<b>-4,114</b>	<b>-11,777</b>	<b>-159</b>	<b>-4,655</b>	<b>-10,763</b>	<b>5,075</b>	<b>9,047</b>
(Pur)/Sale of Investments	0	9	19	-94	150	0	0	0
Others	1,698	-2,588	-885	1,566	-1,484	0	0	0
<b>CF from Investments</b>	<b>-3,244</b>	<b>-14,597</b>	<b>-19,657</b>	<b>-15,962</b>	<b>-20,234</b>	<b>-17,300</b>	<b>-9,000</b>	<b>-7,000</b>
Issue of Shares	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-4,682	7,755	14,054	776	8,282	13,500	-1,000	-5,500
Interest Paid	-658	-476	-714	-876	-1,124	-2,302	-2,876	-2,698
Dividend Paid	-852	-853	-711	-708	-827	-709	-827	-827
Others	-1,681	0	0	0	0	0	0	0
<b>CF from Fin. Activity</b>	<b>-7,872</b>	<b>6,426</b>	<b>12,630</b>	<b>-808</b>	<b>6,332</b>	<b>10,489</b>	<b>-4,704</b>	<b>-9,025</b>
<b>Inc/Dec of Cash</b>	<b>13</b>	<b>-266</b>	<b>-13</b>	<b>505</b>	<b>342</b>	<b>-274</b>	<b>372</b>	<b>22</b>
Opening Balance	1,181	1,194	927	914	1,419	1,760	1,486	1,858
<b>Closing Balance</b>	<b>1194</b>	<b>927</b>	<b>914</b>	<b>1,419</b>	<b>1,760</b>	<b>1,486</b>	<b>1,858</b>	<b>1,880</b>



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

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