

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR1,933**      **TP: INR2,320 (+20%)**      **Buy**

**Variable costs remain a challenge, but relief expected in 1HFY24**

Bloomberg	DALBHARA IN
Equity Shares (m)	187
M.Cap.(INRb)/(USDb)	362.4 / 4.4
52-Week Range (INR)	2168 / 1213
1, 6, 12 Rel. Per (%)	1/26/19
12M Avg Val (INR M)	490

## Financial Snapshot (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Sales	135.4	147.9	166.0
EBITDA	23.2	29.0	35.1
Adj. PAT	7.2	8.9	12.1
EBITDA Margin (%)	17.1	19.6	21.2
Adj. EPS (INR)	38.4	47.5	64.4
EPS Gr. (%)	-12.3	23.7	35.5
BV/Sh. (INR)	834.1	868.6	920.0
<b>Ratios</b>			
Net D:E	0.0	0.1	0.1
RoE (%)	4.5	5.6	7.2
RoCE (%)	4.2	5.8	6.8
Payout (%)	26.0	27.3	20.2
<b>Valuations</b>			
P/E (x)	50.3	40.7	30.0
P/BV (x)	2.3	2.2	2.1
EV/EBITDA(x)	15.1	12.7	10.2
EV/ton (USD)	110	93	90
Div. Yield (%)	0.5	0.7	0.7
FCF Yield (%)	-1.2	-1.3	1.0

## Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	55.9	55.9	55.9
DII	8.7	8.3	7.1
FII	12.8	12.4	12.6
Others	22.6	23.4	24.3

FII Includes depository receipts

## Enters into definitive agreements with JPA for remaining capacities

- DALBHARA's 4Q EBITDA came in at INR7.1b v/s estimated INR6.8b and EBITDA/t stood at INR955 v/s estimated INR910. PAT (adj. for exceptional gain and MI) came in at INR3.0b v/s estimated INR2.8b.
- The company has entered into definitive agreements to acquire the remaining cement assets (clinker/cement capacity of 3.4mtpa/4.2mtpa) from JP group. Earlier in 3QFY23, it signed an agreement to acquire clinker/cement capacity of 3.3mtpa/5.2mtpa from the group.
- We largely reiterate our earnings estimates for FY24/FY25. We have not factored in the JP group asset acquisition into our assumptions. We reiterate our BUY rating with a revised TP of INR2,320 (from INR2,170 earlier), valuing it at 12.5x FY25E EV/EBITDA (v/s Sep'24E earlier).

## Sales volume up 12% YoY; EBITDA/t at INR955

- Consolidated revenue/EBITDA/adj. PAT stood at INR39b/INR7.1b/INR3b (up 16%/up 4%/up 11% YoY, and 2%/4%/5% above our estimates) in 4QFY23. Sales volumes at 7.4mt grew 12% YoY/17% QoQ.
- Realization at INR5,286/t (up 3% YoY; down 1% QoQ) was 4% above our estimate. Opex/t was up 6% YoY/1% QoQ due to 11%/8% rise in variable cost/other expenses. OPM was down 2.1pp YoY to 18.1% and EBITDA/t declined 8% YoY/9% QoQ.
- In FY23, the company's revenue grew 20% YoY, driven by 15%/5% YoY growth in volume/realizations. EBITDA declined 5% YoY to INR23b due to cost pressure (Opex/t up 10% YoY). EBITDA/t declined 17% YoY to INR901. Adjusted PAT (after exception item and MI) declined 12% YoY to INR7.2b.

## Highlights from the management commentary

- Fuel consumption cost stood at INR2.06/kcal in 4QFY23, and is expected to decline 5-6% in 1QFY24 and another 10% in 2Q. We estimate the total benefit for the company to be between INR125-150/t in 1HFY24.
- Other expenses were higher due to increased AD spends (INR350m), depot charges, and packaging cost (INR200m each).
- Key focus areas in FY24 will be the timely completion of expansions, integration of JPA assets, HR & digital transformation, and long-term fuel security.

## Attractive valuations; reiterate Buy

- The stock trades at 12.7x/10.2x FY24E/FY25E EV/EBITDA. It has traded at an average EV/EBITDA of 10.5x/9.5x in the last 5/10 years. We believe timely completion and integration of JPA assets will key monitorable in the near-term. Entry into the Central region (a high growth market) will help DALBHARA expand its market reach and regional mix.
- We value DALBHARA at 12.5x FY25E EV/EBITDA (earlier at Sep'24E EV/EBITDA) to arrive at a TP of INR2,320 (from INR2,170 earlier) and reiterate our BUY rating on the stock.

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## Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY22				FY23				FY22	FY23	FY23 4QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>25.9</b>	<b>25.8</b>	<b>27.3</b>	<b>33.8</b>	<b>33.0</b>	<b>29.7</b>	<b>33.6</b>	<b>39.1</b>	<b>112.9</b>	<b>135.4</b>	<b>38.2</b>	2
YoY Change (%)	36.3	11.6	-0.1	7.3	27.4	15.1	22.7	15.7	11.6	20.0	13.1	
Total Expenditure	18.8	19.6	23.3	27.0	27.2	25.9	27.1	32.1	88.6	112.2	31.4	2
<b>EBITDA</b>	<b>7.1</b>	<b>6.2</b>	<b>4.1</b>	<b>6.8</b>	<b>5.9</b>	<b>3.8</b>	<b>6.4</b>	<b>7.1</b>	<b>24.3</b>	<b>23.2</b>	<b>6.8</b>	4
Margins (%)	27.5	24.1	15.0	20.2	17.7	12.8	19.2	18.1	21.5	17.1	17.9	21bp
Depreciation	3.0	3.0	3.0	3.3	3.1	3.3	3.3	3.4	12.4	13.1	3.4	-1
Interest	0.6	0.5	0.4	0.5	0.5	0.6	0.7	0.6	2.0	2.3	0.6	12
Other Income	0.3	0.5	0.3	0.5	0.2	0.4	0.4	0.4	1.5	1.4	0.5	-9
<b>PBT before EO Expense</b>	<b>3.9</b>	<b>3.1</b>	<b>0.9</b>	<b>3.6</b>	<b>2.5</b>	<b>0.3</b>	<b>2.9</b>	<b>3.5</b>	<b>11.5</b>	<b>9.2</b>	<b>3.3</b>	5
Extra-Ord expense	0.0	0.1	0.0	0.0	0.0	0.0	0.0	-3.9	0.0	-3.9	-3.5	
<b>PBT after EO Expense</b>	<b>3.9</b>	<b>3.1</b>	<b>0.9</b>	<b>3.6</b>	<b>2.5</b>	<b>0.3</b>	<b>2.9</b>	<b>7.3</b>	<b>11.5</b>	<b>13.0</b>	<b>6.8</b>	
Tax	1.0	0.9	0.4	0.9	0.6	-0.2	0.7	1.3	3.2	2.4	0.9	
Prior period tax adjustment	0.0	0.1	0.0	0.0	0.0	-0.3	0.0	0.0	0.1	-0.3	0.0	
Rate (%)	25.1	27.2	37.6	24.4	25.5	23.3	25.5	36.5	26.5	29.6	13.2	
<b>Reported PAT (pre minority)</b>	<b>2.9</b>	<b>2.2</b>	<b>0.6</b>	<b>2.7</b>	<b>1.9</b>	<b>0.5</b>	<b>2.1</b>	<b>6.1</b>	<b>8.3</b>	<b>10.6</b>	<b>5.9</b>	3
Minority + associate	0.1	0.0	0.1	0.1	-0.1	-0.1	0.1	0.2	0.2	0.2	0.1	
<b>PAT Adj for EO items</b>	<b>2.8</b>	<b>2.2</b>	<b>0.5</b>	<b>2.7</b>	<b>2.0</b>	<b>0.3</b>	<b>2.0</b>	<b>3.0</b>	<b>8.2</b>	<b>7.2</b>	<b>2.8</b>	5
YoY Change (%)	45.1	-3.7	-70.8	1.5	-30.4	-87.4	286.5	11.2	-2.3	-12.3	-9.2	
<b>Per ton analysis (blended) INR/t</b>												
<b>Sales Dispatches (m ton)</b>	<b>4.9</b>	<b>5.1</b>	<b>5.7</b>	<b>6.6</b>	<b>6.2</b>	<b>5.8</b>	<b>6.3</b>	<b>7.4</b>	<b>22.3</b>	<b>25.7</b>	<b>7.5</b>	-1
YoY Change (%)	33.6	6.3	-1.7	2.8	26.8	13.7	10.5	12.1	7.7	15.3	13.6	
<b>Net realization</b>	<b>5,299</b>	<b>5,061</b>	<b>4,796</b>	<b>5,121</b>	<b>5,326</b>	<b>5,122</b>	<b>5,325</b>	<b>5,286</b>	<b>5,063</b>	<b>5,268</b>	<b>5,095</b>	4
YoY Change (%)	2.0	5.0	1.6	4.3	0.5	1.2	11.0	3.2	3.7	4.1	-0.5	
RM Cost	542	655	774	655	677	760	587	1,014	663	771	674	50
Employee Expenses	374	388	323	271	319	326	306	258	335	300	268	-4
Power, Oil & Fuel	1,063	994	1,175	1,323	1,535	1,538	1,530	1,177	1,158	1,432	1,397	-16
Freight and Handling Outward	1,057	986	1,042	1,123	1,100	1,028	1,114	1,111	1,061	1,090	1,145	-3
Other Expenses	804	820	765	715	748	817	765	772	774	775	700	10
<b>Total Expenses</b>	<b>3,840</b>	<b>3,843</b>	<b>4,079</b>	<b>4,086</b>	<b>4,381</b>	<b>4,469</b>	<b>4,303</b>	<b>4,331</b>	<b>3,991</b>	<b>4,367</b>	<b>4,185</b>	3
<b>EBITDA</b>	<b>1,458</b>	<b>1,218</b>	<b>718</b>	<b>1,035</b>	<b>945</b>	<b>653</b>	<b>1,022</b>	<b>955</b>	<b>1,072</b>	<b>901</b>	<b>910</b>	5

Source: Company, MOFSL Estimates



## Key takeaways from the conference call

### JPA assets acquisition status

- DALBHARA has entered into share purchase agreement (SPA) for acquiring 74% shareholding of Bhilai Jaypee Cement, having clinker/grinding capacity of 1.1mtpa/2.2mtpa, for an enterprise value of INR6.66b.
- It has signed a long-term lease agreement (having a term of seven years) with Jaiprakash Power Ventures for its Nigrie Cement Grinding Unit of 2 mtpa in Madhya Pradesh. The company has an option to purchase the unit anytime within the lease period at an enterprise value of INR2.5b.
- Additionally, the company has entered into a definitive agreement for acquiring JP super, having clinker capacity of 2.3mtpa, at an enterprise value of INR15b, and other costs up to INR1.9b. The ongoing JP super Dalla dispute is currently in arbitration between JPA and UTCEM. The acquisition will depend on the final resolution of the matter.
- Earlier in 3Q, the company signed a definitive agreement to acquire JP group's clinker/cement capacity of 3.3mtpa/5.2mtpa at an enterprise value of INR32.3b.
- As per the management, these agreements are subject to fulfillment of certain conditions. However, the company is confident of starting operations in a couple of months, as these assets are not under IBC proceedings and will require only lenders' permission.

### Demand and pricing outlook

- It is anticipated that the strong demand momentum will persist, bolstered by the government's focus on infrastructure development. In FY23, the volume growth of DALBHARA was ~1.5x of industry demand growth. The company recorded double-digit volume growth both in the South & East regions and was able to enhance its market share in the South without adding any capacity. The industry is estimated to grow at 8-9% YoY in FY24.
- Cement price was stable in East, North-East, and West regions while it softened in some markets in the Southern region in 4QFY23.

### Operational highlights and cost insights

- Fuel consumption cost increased to USD198/t in FY23 from USD141 in FY22. Peak consumption cost was USD218/t, which fell to USD174/t in 4Q. Petcoke price currently stands at USD140/t, which can effectively be used in 2QFY24. In 1QFY24, petcoke consumption cost should be at USD165/t. Fuel cost in 4Q was INR2.06/kcal (INR2.21/Kcal in FY23). The company expects 5-6% reduction in fuel cost in 1QFY24 and another 10% reduction in 2Q. Every USD10 movement in petcoke price impacts cost by INR30-35/t for the company.
- The cost of raw materials increased as a result of holding expensive inventory, and elevated prices for fly ash and slag. Other expense increased due to increased 1) depots cost by INR200m, 2) packaging cost by INR200m; and 3) marketing spend by INR350m.
- Blended cement sales stood at 84%/88% in FY23/4QFY23 v/s 79% in FY22. C:C ratio increased to 1.7x in FY23 from 1.63x in FY22. Various government departments have started accepting blended cement. It aims to produce 100% blended cement in the next few years. Industry average blended cement share increased to 71-72%.

- Blended cement acceptability has increased in the South region. Blended cement share for the company in the South has increased from 40-45% in FY19 to 50%/55% in FY21/FY23 and up to 75% in 4QFY23. The company produces 100% blended cement in the East region.
- Sales volume of premium cement increased 19% YoY to 3.4mt.
- Incentives accrued stood at INR920mn/INR2.72bn in 4Q/FY23, and incentives received stood at INR960mn/INR2.5bn in the same period. Incentives receivable stood at INR7b as of Mar'23. Going forward, annual incentive run-rate should be INR2.5-3b, including the incentive for Murli, Maharashtra plant (West).
- The availability of limestone at Murli industries is now estimated to be 18-20 years. Capacity utilization stood at ~60% in Mar'23, which is estimated to reach over 60% in FY24. It commissioned 7MW of WHRS and 4.5MW of Solar, and its full benefit is expected to reflect from FY24.
- The Kalyanpur, Bihar plant has undergone a turnaround and makes one of the highest profit contributions in the Eastern region. In addition, 4MW of WHRS and 4MW of Solar power plant have been commissioned at this unit.

### Expansion plans and capex

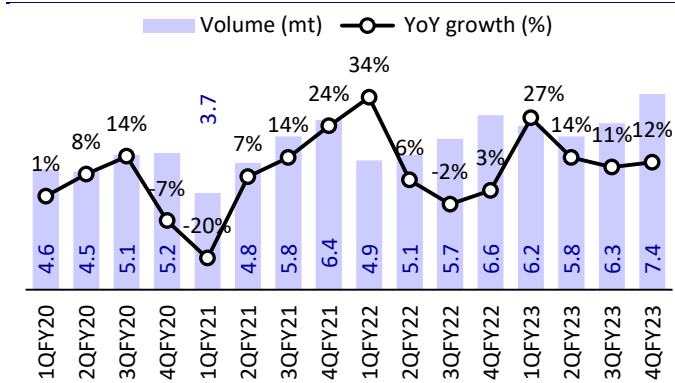
- Cement capacity has increased 15% to 41.1mtpa at present from 35.9mtpa in Mar'22. It commissioned 2.7mtpa in FY23 and 2.5mtpa in April-23.
- Regional expansion plans were reconsidered after the JP acquisition and the grinding unit in Bihar with a 2.5mtpa capacity was deferred. The total grinding capacity is expected to reach 56mtpa by FY24-end. The Tuticorin, Tamil Nadu plant will be completed in Jun'23, while Kadappa, Andhra Pradesh and Ariyalur, Tamil Nadu will be completed by Mar'24 (combined capacity of 4mtpa). The capex for FY24 is estimated at INR50-55b, which includes the acquisition of JP (except Super Dalla). The total acquisition cost for JPA assets including Super Dalla will be INR56.6b and INR8-10b will be spent on other efficiencies/WHRS projects (final cost of acquisition will be ~US\$70/t). The company will start sharing its roadmap for the next phase of expansion in the next few months.
- The company reiterated its capacity expansion target of 75mtpa by FY27 and long-term target of 110-130mtpa by FY31. Its key area of focus in FY24 will be: 1) timely completion of ongoing capex + integration of JP assets, 2) HR transformation with focus on leadership development, 3) digital transformation and 4) long-term fuel security. The company has appointed Sameer Nagpal as the COO. He is coming from Dalmia Refractories.
- The company has increased its total renewable power capacity to 166MW from 63MW in FY22. It has added WHRS/Solar power capacity of 35MW/68MW in FY23. Its FY23 closing WHRS/Solar power capacity stood at 66MW/100MW. Renewable power share in the total power mix increased to ~25.2% v/s 24% in 3QFY23 (20.9% in FY23 v/s 10.1% in FY22).

### Other key highlights

- The company's gross debt stood at INR37.6b in 4QFY23 v/s INR31.4b in Mar'22. Net debt stood at INR6.6b in 4QFY23 v/s net cash of INR14.2b in Mar'22. The company's net debt to EBITDA stood at 0.29x in 4QFY23 v/s 0.39x as of Dec'22 (0.59x as of Mar'22).
- The average cost of borrowing was 7.6% in 4QFY23 v/s 5.7%/7.5% in 4QFY22/3QFY23.
- Co2 emission came down to 463kg per ton of cement in FY23 from 489kg per ton in FY22.

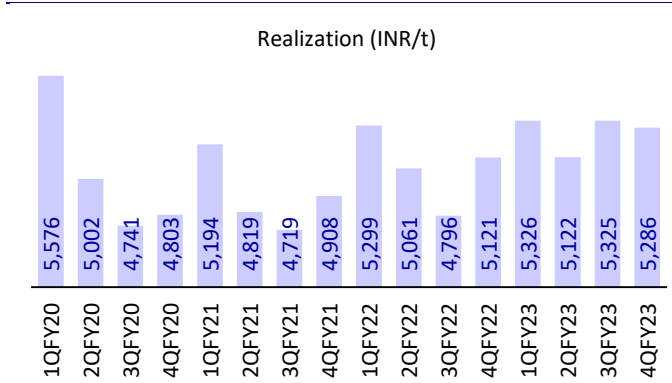
## Story in charts

**Exhibit 1: Sales volume up 12% YoY and 17% QoQ**



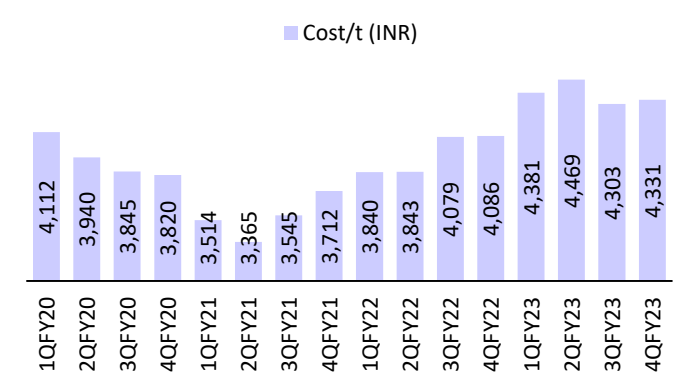
Source: Company, MOFSL

**Exhibit 2: Realization up 3% YoY but declined 1% QoQ**



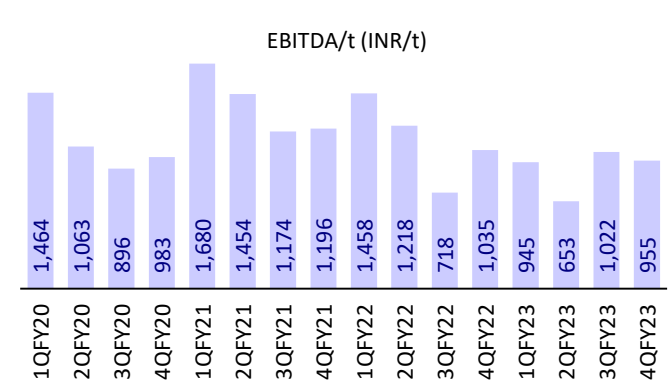
Source: Company, MOFSL

**Exhibit 3: Opex/t up 6% YoY and 1% QoQ**



Source: Company, MOFSL

**Exhibit 4: EBITDA/t declined 8% YoY and 7% QoQ**



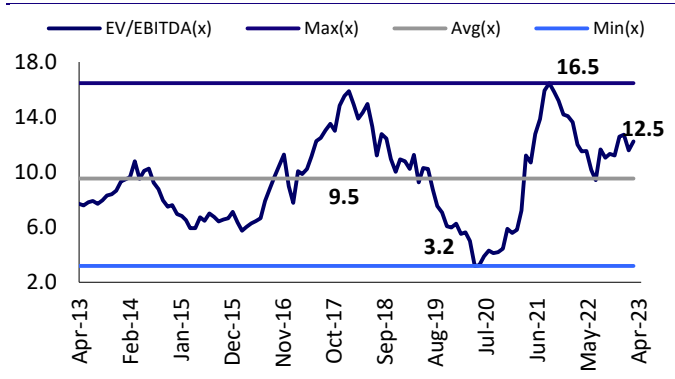
Source: Company, MOFSL

**Exhibit 5: Key operating metrics (blended)**

INR/t	4QFY23	4QFY22	YoY (%)	3QFY23	QoQ (%)
<b>Realization</b>	5,286	5,121	3%	5,325	-1%
RM Cost	1,014	655	55%	587	73%
Staff Cost	258	271	-5%	306	-16%
Power and Fuel	1,177	1,323	-11%	1,530	-23%
Freight and Forwarding	1,111	1,123	-1%	1,114	0%
Other Expenditure	772	715	8%	765	1%
<b>Total Expenditure</b>	<b>4,331</b>	<b>4,086</b>	<b>6%</b>	<b>4,303</b>	<b>1%</b>
<b>EBITDA</b>	<b>955</b>	<b>1,035</b>	<b>-8%</b>	<b>1,022</b>	<b>-7%</b>

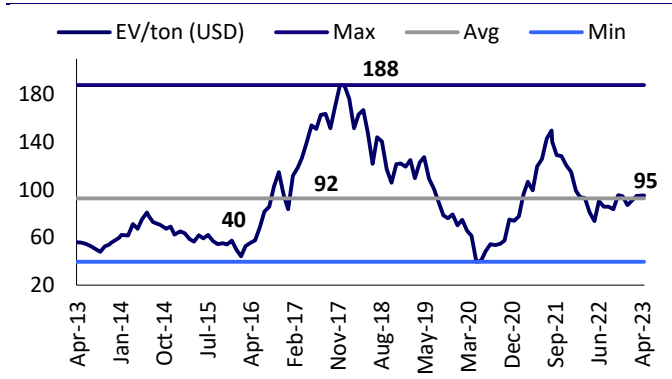
Source: Company, MOFSL

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



Source: Company, MOFSL

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



Source: Company, MOFSL

## Financials and valuations (Consolidated)

Income Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Net Sales</b>	<b>85,800</b>	<b>94,840</b>	<b>96,740</b>	<b>1,01,100</b>	<b>1,12,860</b>	<b>1,35,400</b>	<b>1,47,869</b>	<b>1,66,035</b>
Change (%)	15.2	10.5	2.0	4.5	11.6	20.0	9.2	12.3
<b>EBITDA</b>	<b>20,360</b>	<b>19,420</b>	<b>21,060</b>	<b>27,620</b>	<b>24,260</b>	<b>23,160</b>	<b>29,008</b>	<b>35,120</b>
Margin (%)	23.7	20.5	21.8	27.3	21.5	17.1	19.6	21.2
Depreciation	12,130	12,960	15,280	12,500	12,350	13,050	15,410	17,414
<b>EBIT</b>	<b>8,230</b>	<b>6,460</b>	<b>5,780</b>	<b>15,120</b>	<b>11,910</b>	<b>10,110</b>	<b>13,598</b>	<b>17,706</b>
Int. and Finance Charges	7,080	5,510	4,380	2,950	2,020	2,340	3,078	3,138
Other Income - Rec.	2,740	2,440	2,170	1,810	1,600	1,380	1,990	2,190
<b>PBT bef. EO Exp.</b>	<b>3,890</b>	<b>3,390</b>	<b>3,570</b>	<b>13,980</b>	<b>11,490</b>	<b>9,150</b>	<b>12,509</b>	<b>16,757</b>
EO Expense/(Income)	0	0	0	-3,330	20	-3,850	0	0
<b>PBT after EO Exp.</b>	<b>3,890</b>	<b>3,390</b>	<b>3,570</b>	<b>17,310</b>	<b>11,470</b>	<b>13,000</b>	<b>12,509</b>	<b>16,757</b>
Current Tax	1,080	1,120	1,140	2,120	250	320	3,202	4,290
Deferred Tax	-100	-1,220	50	3,330	2,900	2,100	0	0
Tax Rate (%)	32.1	-2.1	27.5	40.4	26.5	29.6	25.6	25.6
<b>Reported PAT</b>	<b>2,910</b>	<b>3,490</b>	<b>2,380</b>	<b>11,860</b>	<b>8,320</b>	<b>10,580</b>	<b>9,307</b>	<b>12,468</b>
Minority and Associates	10	-410	-140	-130	-240	-190	-400	-400
<b>PAT Adj. for EO items</b>	<b>2,920</b>	<b>3,080</b>	<b>2,240</b>	<b>8,400</b>	<b>8,205</b>	<b>7,198</b>	<b>8,907</b>	<b>12,068</b>
Change (%)	563.6	5.5	-27.3	275.0	-2.3	-12.3	23.7	35.5
Margin (%)	3.4	3.2	2.3	8.3	7.3	5.3	6.0	7.3

Balance Sheet								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	385	390	390	374	375	375	375	375
Total Reserves	1,02,965	1,06,000	1,05,650	1,27,726	1,60,235	1,55,905	1,62,377	1,72,008
<b>Net Worth</b>	<b>1,03,350</b>	<b>1,06,390</b>	<b>1,06,040</b>	<b>1,28,100</b>	<b>1,60,610</b>	<b>1,56,280</b>	<b>1,62,751</b>	<b>1,72,383</b>
Deferred capital investment subsidy	1,200	1,290	1,400	1,240	1,250	1,660	1,660	1,660
Deferred Liabilities	13,250	11,880	12,770	16,590	15,640	16,100	16,100	16,100
Minority Interest	-300	110	250	340	720	1,160	1,560	1,960
Total Loans	72,660	58,780	59,500	37,080	31,190	37,420	46,920	51,920
<b>Capital Employed</b>	<b>1,90,160</b>	<b>1,78,450</b>	<b>1,79,960</b>	<b>1,83,350</b>	<b>2,09,410</b>	<b>2,12,620</b>	<b>2,28,991</b>	<b>2,44,023</b>
Gross Block	1,62,870	1,66,210	1,66,440	1,86,160	2,00,360	2,17,860	2,62,540	2,79,510
Less: Accum. Deprn.	22,500	30,470	40,890	49,910	59,010	70,030	83,410	98,794
<b>Net Fixed Assets</b>	<b>1,40,370</b>	<b>1,35,740</b>	<b>1,25,550</b>	<b>1,36,250</b>	<b>1,41,350</b>	<b>1,47,830</b>	<b>1,79,130</b>	<b>1,80,716</b>
Capital WIP	1,730	5,200	17,400	10,060	10,450	18,710	7,000	18,000
<b>Current Investment</b>	<b>34,080</b>	<b>23,150</b>	<b>26,980</b>	<b>32,930</b>	<b>43,990</b>	<b>29,350</b>	<b>29,350</b>	<b>29,350</b>
Non-current Investment	970	1,090	1,610	7,410	13,060	5,900	5,900	5,900
<b>Curr. Assets, Loans and Adv.</b>	<b>35,510</b>	<b>39,300</b>	<b>37,670</b>	<b>32,210</b>	<b>37,830</b>	<b>53,400</b>	<b>52,239</b>	<b>60,168</b>
Inventory	7,790	10,320	9,740	7,600	9,450	13,160	10,938	12,282
Account Receivables	5,640	5,490	6,640	5,110	6,730	7,000	8,102	9,098
Cash and Bank Balance	3,540	4,690	4,030	2,470	1,600	2,850	4,292	9,809
Loans and Advances	18,540	18,800	17,260	17,030	20,050	30,390	28,906	28,978
<b>Curr. Liability and Prov.</b>	<b>22,500</b>	<b>26,030</b>	<b>29,250</b>	<b>35,510</b>	<b>37,270</b>	<b>42,570</b>	<b>44,628</b>	<b>50,111</b>
Account Payables	20,970	23,430	27,210	32,820	34,600	39,370	41,134	46,187
Provisions	1,530	2,600	2,040	2,690	2,670	3,200	3,495	3,924
<b>Net Current Assets</b>	<b>13,010</b>	<b>13,270</b>	<b>8,420</b>	<b>-3,300</b>	<b>560</b>	<b>10,830</b>	<b>7,611</b>	<b>10,057</b>
<b>Appl. of Funds</b>	<b>1,90,160</b>	<b>1,78,450</b>	<b>1,79,960</b>	<b>1,83,350</b>	<b>2,09,410</b>	<b>2,12,620</b>	<b>2,28,991</b>	<b>2,44,023</b>

E: MOFSL estimates

## Financials and valuations (Consolidated)

Ratios								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)*</b>								
EPS	15.2	15.8	11.5	44.9	43.8	38.4	47.5	64.4
Cash EPS	78.1	82.3	89.8	111.7	109.7	108.0	129.8	157.3
BV/Share	536.2	545.6	543.8	684.6	857.2	834.1	868.6	920.0
DPS	1.7	2.0	2.0	1.3	9.0	10.0	13.0	13.0
Payout (%)	11.2	12.5	17.2	3.0	20.6	26.0	27.3	20.2
<b>Valuation (x)*</b>								
P/E		122.4	168.3	43.1	44.1	50.3	40.7	30.0
Cash P/E		23.5	21.5	17.3	17.6	17.9	14.9	12.3
P/BV		3.5	3.6	2.8	2.3	2.3	2.2	2.1
EV/Sales		4.1	3.9	3.5	3.0	2.6	2.5	2.2
EV/EBITDA		20.0	17.7	12.8	13.9	15.1	12.7	10.2
EV/t (USD)		179	172	141	115	110	93	90
Dividend Yield (%)		0.1	0.1	0.1	0.5	0.5	0.7	0.7
<b>Return Ratios (%)</b>								
ROIC	3.6	4.5	3.0	6.7	6.0	4.5	5.8	7.0
RoE	2.9	2.9	2.1	7.2	5.7	4.5	5.6	7.2
RoCE	4.2	5.3	3.5	6.1	5.6	4.2	5.8	6.8
<b>Working Capital Ratios</b>								
Asset Turnover (x)	0.5	0.5	0.5	0.6	0.5	0.6	0.6	0.7
Inventory (Days)	33	40	37	27	31	35	27	27
Debtor (Days)	24	21	25	18	22	19	20	20
<b>Leverage Ratio (x)</b>								
Current Ratio	1.6	1.5	1.3	0.9	1.0	1.3	1.2	1.2
Debt/Equity	0.7	0.6	0.6	0.3	0.2	0.2	0.3	0.3

Cash Flow Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	3,890	3,390	3,570	13,640	11,620	13,210	12,509	16,757
Depreciation	12,130	12,960	15,280	12,500	12,360	13,050	15,410	17,414
Interest and Finance Charges	7,080	5,510	3,640	3,190	1,930	2,310	3,078	3,138
Direct Taxes Paid	-860	-240	-660	440	240	-140	-3,202	-4,290
(Inc.)/Dec. in WC	-3,590	1,500	2,740	7,810	-5,150	-770	4,559	2,922
<b>CF from Operations</b>	<b>18,650</b>	<b>23,120</b>	<b>24,570</b>	<b>37,580</b>	<b>21,000</b>	<b>27,660</b>	<b>32,354</b>	<b>35,942</b>
Others	-2,590	-2,220	-1,190	-1,540	-1,680	-5,140	-1,990	-2,190
<b>CF from Operations incl. EO</b>	<b>16,060</b>	<b>20,900</b>	<b>23,380</b>	<b>36,040</b>	<b>19,320</b>	<b>22,520</b>	<b>30,364</b>	<b>33,752</b>
(Inc.)/Dec. in FA	-3,930	-13,290	-13,450	-10,270	-17,560	-27,010	-35,000	-30,000
<b>Free Cash Flow</b>	<b>12,130</b>	<b>7,610</b>	<b>9,930</b>	<b>25,770</b>	<b>1,760</b>	<b>-4,490</b>	<b>-4,636</b>	<b>3,752</b>
(Pur.)/Sale of Investments	3,950	10,320	-4,970	6,050	6,380	2,980	-7	-11
Others	1,350	2,870	300	370	750	770	1,990	2,190
<b>CF from Investments</b>	<b>1,370</b>	<b>-100</b>	<b>-18,120</b>	<b>-3,850</b>	<b>-10,430</b>	<b>-23,260</b>	<b>-33,017</b>	<b>-27,821</b>
Issue of Shares	40	40	0	-4,000	50	0	0	0
Inc./(Dec.) in Debt	-7,730	-13,870	120	-25,340	-5,800	6,670	9,610	5,160
Interest Paid	-7,620	-5,420	-4,680	-3,960	-2,320	-2,970	-3,078	-3,138
Dividend Paid	-330	-400	-930	0	-1,000	-1,690	-2,436	-2,436
Others	0	0	-430	-450	-350	-330	0	0
<b>CF from Fin. Activity</b>	<b>-15,640</b>	<b>-19,650</b>	<b>-5,920</b>	<b>-33,750</b>	<b>-9,420</b>	<b>1,680</b>	<b>4,096</b>	<b>-414</b>
<b>Inc./Dec. of Cash</b>	<b>1,790</b>	<b>1,150</b>	<b>-660</b>	<b>-1,560</b>	<b>-530</b>	<b>940</b>	<b>1,442</b>	<b>5,517</b>
Opening Balance	1,750	3,540	4,690	4,030	2,440	1,910	2,850	4,292
<b>Closing Balance</b>	<b>3,540</b>	<b>4,690</b>	<b>4,030</b>	<b>2,470</b>	<b>1,910</b>	<b>2,850</b>	<b>4,292</b>	<b>9,809</b>

**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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