MOTILAL OSWAL FINANCIAL SERVICES

19 May 2023

4QFY23 Results Update | Sector: Agri

PI Industries

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	PI IN
Equity Shares (m)	152
M.Cap.(INRb)/(USDb)	496.6 / 6
52-Week Range (INR)	3699 / 2444
1, 6, 12 Rel. Per (%)	0/0/7
12M Avg Val (INR M)	1031

Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	64.9	86.8	100.7
EBITDA	15.4	21.1	24.3
PAT	12.3	16.3	18.6
EBITDA (%)	23.8	24.3	24.1
EPS (INR)	80.9	107.0	122.6
EPS Gr. (%)	45.7	32.3	14.5
BV/Sh. (INR)	474	571	682
Ratios			
Net D/E	(0.4)	(0.3)	(0.4)
RoE (%)	18.5	20.5	19.6
RoCE (%)	18.5	20.4	19.5
Payout (%)	12.4	9.3	9.4
Valuations			
P/E (x)	40.5	30.6	26.7
EV/EBITDA (x)	30.8	22.9	19.5
Div Yield (%)	0.3	0.3	0.4
FCF Yield (%)	2.4	(0.5)	3.0

Shareholding pattern (%)

As on	Mar-23	Dec-22	Mar-22
Promoter	46.1	46.1	46.7
DII	24.2	24.4	25.3
FII	18.6	18.6	16.5
Others	11.1	10.9	11.5

Note: FII includes depository receipts

CMP: INR3,273 **TP: INR4,300 (+31%)** **Buy**

Export demand outlook remains buoyant

Earnings below our estimates

- PI continued its growth trajectory in 4QFY23 (revenue up 12% YoY), led by robust growth in the CSM business (revenue up 15% YoY). The domestic business again witnessed muted growth (only 1% YoY). EBITDA margin remained flat YoY at 22% after expanding (both QoQ and YoY) for the last seven quarters from 19% in 4QFY21 to 25.7% in 3QFY23.
- We maintain our FY24/FY25 EPS estimates on the back of a strong outlook for product launches across the CSM/Domestic businesses, along with the integration of the recently acquired pharma business. We reiterate our **BUY** rating on the stock with a TP of INR4,300**.**

CSM business continues to drive overall performance

- Revenue grew 12% YoY to INR15.7b (est. INR15.2b) in 4QFY23. EBITDA rose 12% YoY to INR3.4b (est. INR3.8b). EBITDA margin was flat YoY at 21.9% (est. 25.1%), led by an increase in employee/other expenses by 40bp/ 30bp YoY to 8.6%/14.3% (as a percentage of sales). Gross margin grew 70bp YoY to 44.8%. Adjusted PAT grew 37% YoY to INR2.8b (est. INR3.1b).
- Export (CSM)/domestic revenue grew 15%/1% YoY to INR12.8b/INR2.8b in 4QFY23. Export revenue was driven by favorable prices/currency and a product mix of ~17% YoY, offset by a volume decline of 2%. Domestic growth was driven by a volume increase of ~2%, offset by a 1% price decline.
- For FY23, revenue/EBITDA/adj. PAT grew 23%/34%/46% YoY to INR64.9b/INR15.4b/INR12.3b.
- For FY23, export (CSM)/domestic revenue grew 26%/12% YoY to INR50.3b /INR14.6b. Export growth was driven by ~11% volume growth and a ~15% contribution from price, favorable product mix and currency. Domestic sales were driven by volume growth of ~8% and a price increase of ~5%. Export/ domestic revenue mix stood at 77%/23% in FY23 v/s 75%/25% in FY22.
- CFO for FY23 stood at INR15b v/s INR5.3b in FY22, while net cash stood at INR32.3b in Mar'23 v/s INR20b in Mar'22. Net working capital days improved to 79 days as of Mar'23 v/s 103 days as of Mar'22.

Highlights from the management commentary

- **Guidance:** The management has guided for revenue growth of 18-20% p.a. for the near term. Volume is expected grow ~18-20% in FY24 and will be the major growth driver as prices/currency will be range-bound. EBITDA margin is expected to improve in FY24 on better efficiency from plant and operating leverage.
- **Capex:** The management has guided for a capex of INR8.5-9.0b in FY24.
- **CSM:** The Freshness Index (share of products launched in last 4-5 years) stood at ~17-18% of total revenue in FY23 v/s 16-17% in FY22. PI plans to launch four to five molecules annually, along with scaling up existing molecules.
- **Domestic Agri:** PI plans to launch five products (all specialty products) in FY24. Launches will be a mix of wheat, rice, horticulture crops and biological products.

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Valuation and view

- PI has levers in place to sustain near-term growth momentum, led by: 1) consistent growth momentum in the CSM business, driven by a strong (USD1.8b) order book, the rising pace of commercialization of new molecules, and a sales ramp-up in existing molecules; 2) product launches in the domestic market (seven new launches in FY23); and 3) the recent acquisition in the pharma API and CDMO segments, which is expected to be one of the key growth pillars for the company in the future where PI will be creating a differentiated position in the pharma sector by leveraging its core competencies.
- We expect a revenue/EBIDTA/adj. PAT CAGR of 25%/25%/23% over FY23-25.
- We maintain our FY24/FY25 EPS estimates and reiterate our **BUY** rating on the stock, valuing it at 35x FY25E EPS to arrive at a TP of INR4,300.

Quarterly Earning Model (INR m)

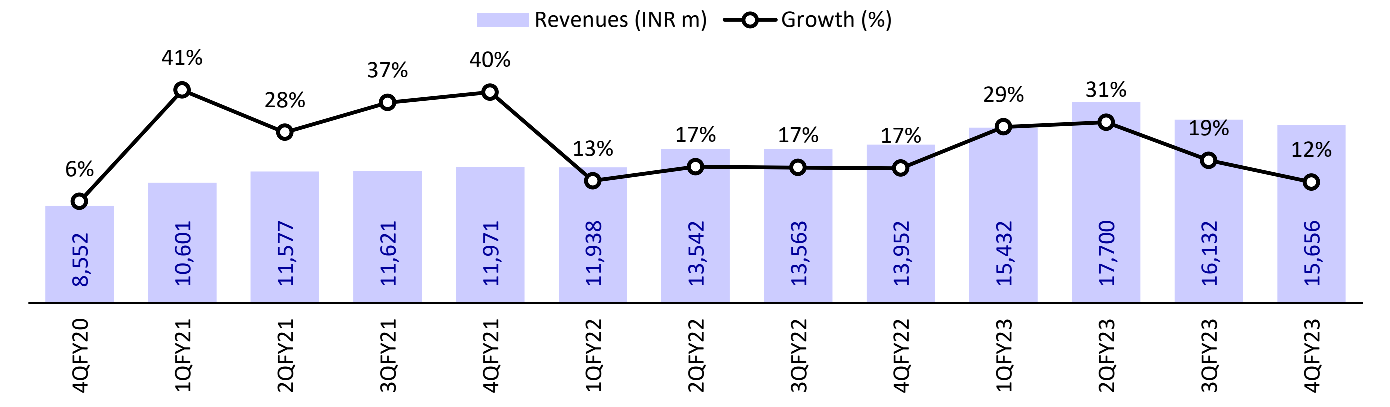
Y/E March	FY22				FY23				FY22	FY23	FY23E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	(%)
Net Sales	**11,938**	**13,542**	**13,563**	**13,952**	**15,432**	**17,700**	**16,132**	**15,656**	**52,995**	**64,920**	**15,224**	**3**
YoY Change (%)	12.6	17.0	16.7	16.5	29.3	30.7	18.9	12.2	15.8	22.5	9.1	
Total Expenditure	9,449	10,622	10,598	10,902	11,976	13,381	11,981	12,228	41,571	49,566	11,398	
EBITDA	**2,489**	**2,920**	**2,965**	**3,050**	**3,456**	**4,319**	**4,151**	**3,428**	**11,424**	**15,354**	**3,826**	**-10**
Margins (%)	20.8	21.6	21.9	21.9	22.4	24.4	25.7	21.9	21.6	23.7	25.1	
Depreciation	487	492	503	536	560	560	567	577	2,018	2,264	590	
Interest	34	34	33	27	36	111	89	33	128	269	50	
Other Income	277	277	260	200	241	317	502	495	1,014	1,555	450	
PBT before EO expense	**2,245**	**2,671**	**2,689**	**2,687**	**3,101**	**3,965**	**3,997**	**3,313**	**10,292**	**14,376**	**3,636**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**2,245**	**2,671**	**2,689**	**2,687**	**3,101**	**3,965**	**3,997**	**3,313**	**10,292**	**14,376**	**3,636**	
Tax	405	370	466	649	516	629	484	519	1,890	2,148	553	
Rate (%)	18.0	13.9	17.3	24.2	16.6	15.9	12.1	15.7	18.4	14.9	15.2	
MI & Profit/Loss of Asso. Cos.	-32	5	-3	-6	-39	-12	-5	-12	-36	-68	-7	
Reported PAT	**1,872**	**2,296**	**2,226**	**2,044**	**2,624**	**3,348**	**3,518**	**2,806**	**8,438**	**12,296**	**3,090**	
Adj PAT	**1,872**	**2,296**	**2,226**	**2,044**	**2,624**	**3,348**	**3,518**	**2,806**	**8,438**	**12,296**	**3,090**	**-9**
YoY Change (%)	28.7	5.5	13.9	13.7	40.2	45.8	58.0	37.3	14.3	45.7	51.2	
Margins (%)	15.7	17.0	16.4	14.7	17.0	18.9	21.8	17.9	15.9	18.9	20.3	

Key Performance Indicators

Y/E March	FY22				FY23				FY22	FY23
Particulars	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
CSM Revenue (INR m)	8,070	9,930	10,763	11,142	11,421	12,783	13,286	12,814	**39,905**	**50,304**
% Change	31.3	24.3	19.2	10.8	41.5	28.7	23.4	15.0	**20.1**	**26.1**
Domestic Formulation (INR m)	3,870	3,610	2,800	2,810	4,011	4,917	2,846	2,842	**13,090**	**14,616**
% Change	-13.1	0.6	7.7	47.1	3.6	36.2	1.6	1.1	**4.3**	**11.7**
Cost Break-up										
RM Cost (% of sales)	56.2	55.0	53.6	55.9	56.2	54.8	52.8	55.2	**55.2**	**54.7**
Staff Cost (% of sales)	10.0	9.0	9.2	8.2	8.1	7.6	8.3	8.6	**9.1**	**8.1**
Other Cost (% of sales)	12.9	14.5	15.3	14.0	13.4	13.2	13.2	14.3	**14.2**	**13.5**
Gross Margins (%)	43.8	45.0	46.4	44.1	43.8	45.2	47.2	44.8	**44.8**	**45.3**
EBITDA Margins (%)	20.8	21.6	21.9	21.9	22.4	24.4	25.7	21.9	**21.6**	**23.7**
EBIT Margins (%)	16.8	17.9	18.2	18.0	18.8	21.2	22.2	18.2	**17.7**	**20.2**

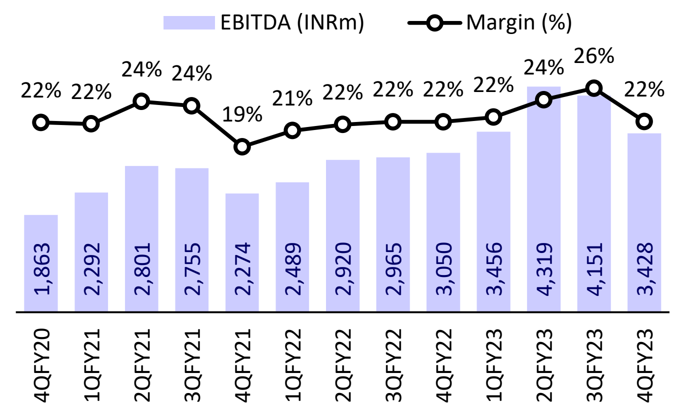
Key exhibits

Exhibit 1: Revenue growth trend



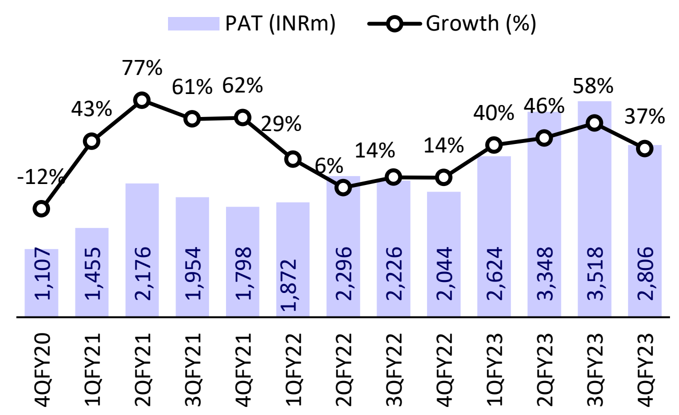
Source: Company, MOFSL

Exhibit 2: EBITDA trend



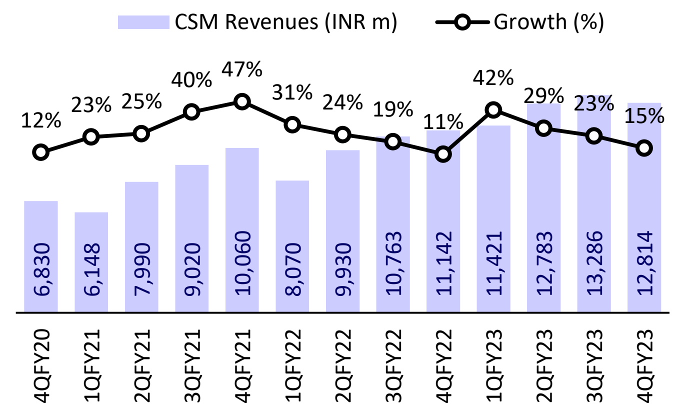
Source: Company, MOFSL

Exhibit 3: PAT trend



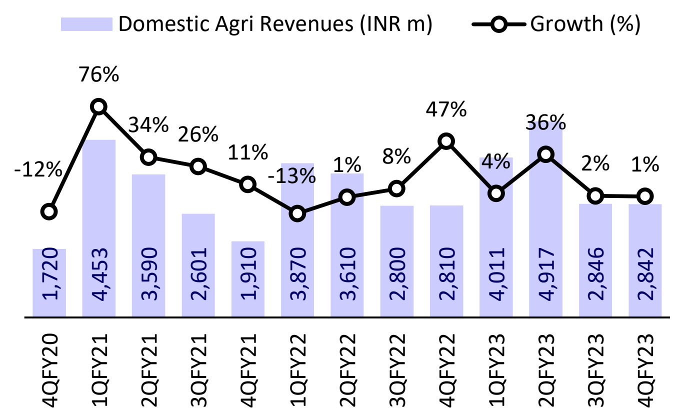
Source: Company, MOFSL

Exhibit 4: CSM revenue trend



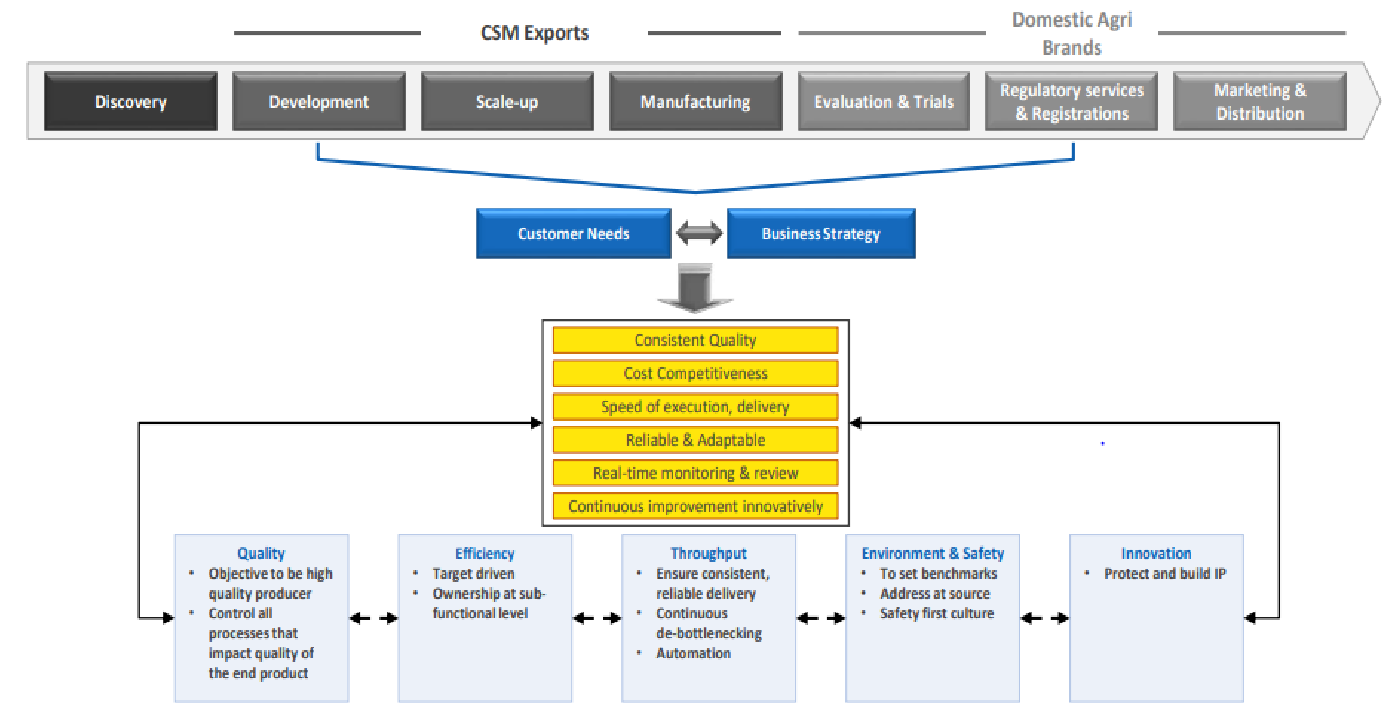
Source: Company, MOFSL

Exhibit 5: Revenue trend in Agri Inputs



Source: Company, MOFSL

Exhibit 6: Presence across the agchem value chain



Source: Company, MOFSL

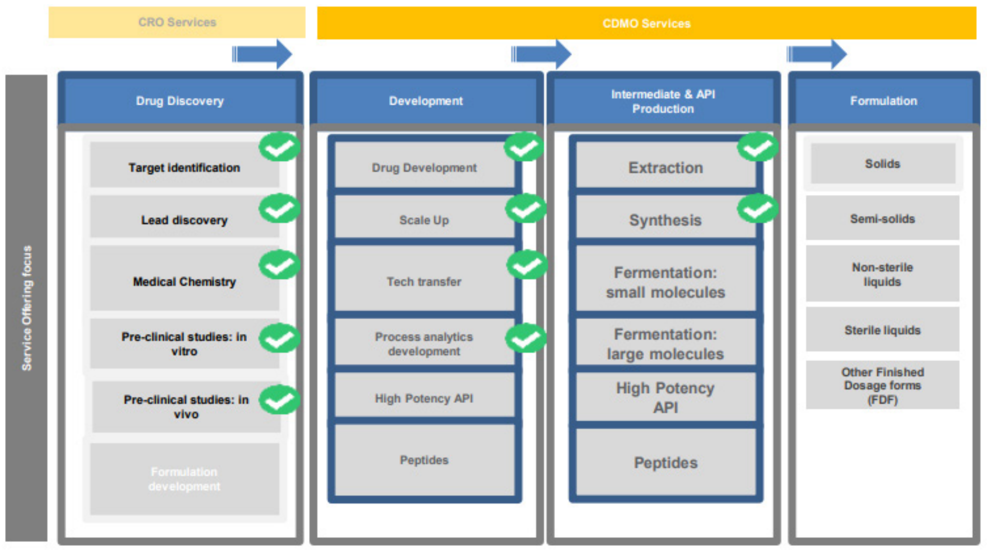
Exhibit 7: Robust product portfolio for all major crops

Source: Company, MOFSL

Exhibit 8: Tailwinds to drive demand growth in the domestic Agri input sector

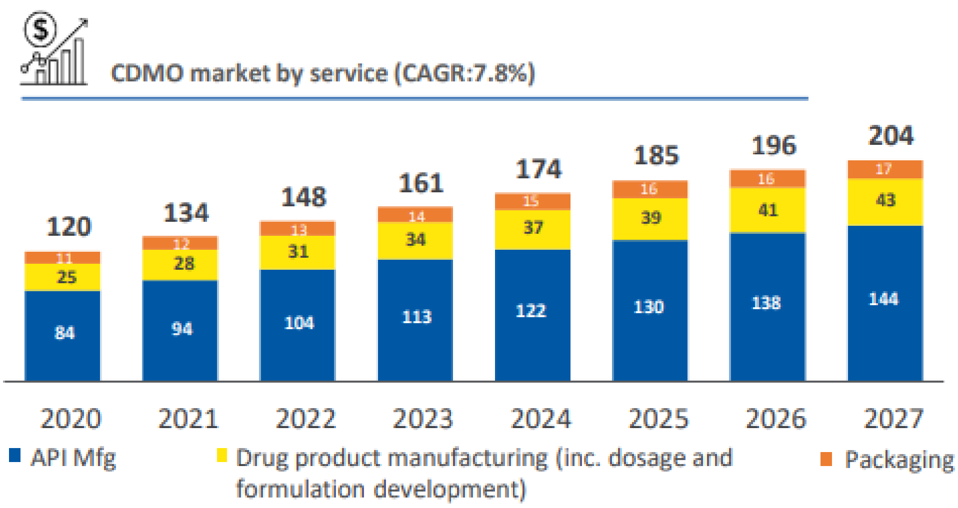
Source: Company, MOFSL

Exhibit 9: Pharma: Differentiated play across pharma value chain



Source: Company, MOFSL

Exhibit 10: Pharma: large addressable global market



Source: Company, MOFSL

CONFERENCE CALL

Highlights from management interaction

Operational Overview

- Newly launched brands, such as Distruptor®, Brofreya®, Sectin®, Provide®, Dinoace™, Taurus® and Tomatough®, are getting good traction and acceptance.
- The major impact, mainly led by the reopening of China market, is seen in the US, mostly for generic products.
- There has been a significant increase in raw material prices and realization in the last one year, but a favorable product mix and operating leverage helped the company maintain higher margins. However, margins in 4Q were hurt by the product mix sequentially.
- Net profit jumped 46% YoY due to EBITDA growth and a lower effective tax rate.
- Inventory declined in terms of days of sales to ~79 days. Inventory declined to INR14b. Trade working capital in terms of days of sales declined to 79 days v/s 103 days as of Mar'22 on the back of multiple initiatives taken by the company on the inventory side, and the management has guided for further room to reduce WC in both domestic and export businesses.
- Inflationary and deflationary trends are all product specific. The overall scenario is mixed.
- The company has taken multiple initiatives to increase the plant throughput and capital efficiency, which is reflected in the improvement in the asset turns (0.9x in FY23 v/s 0.8x in FY22). However, they indicated that initiative intensity will not be as it was before.

Exports (CSM)

- In another 15 years or so, India is expected to be a market of USD850-1,000b, accounting for about 10-12% of global share. Specialty chemical exports from India are expected to surge 10x during FY23 to FY30, in line with the growing consumption in the consumer, agri and industrial segments.
- Indian AgChem is slated to grow 10% to 12% in FY24, with exports accounting for 50%. Concurrently, the 'China plus one' phenomena and the decline in the EU, the chemical industry powerhouse will support growth for India.
- PI has commercialized four new products in exports in FY23, with more than 40 products at different development stages.
- About 25% of the new enquiries received by PI are from the non-agchem space.
- The CSM business order book has been maintained at ~USD1.8b, exhibiting good visibility for the future.
- The global inventory situation for generics is worse than it is for innovative products, and PI is currently not witnessing any significant change in the demand scenario for its products.
- The Freshness Index (share of products launched in last 4-5 years) stood at ~17-18% of total revenue in FY23 v/s 16-17% in FY22.
- **PI guides for the launch of four to five molecules yearly and the scale-up its existing molecules.**

Domestic Agri inputs

- PI launched seven products in FY23 and will launch **five products in FY24.** All these products are specialty products with a mix of wheat, rice, horticulture crops and biological products. Some of these products are multi-crop and multi-segment products with huge potential.

- Newly launched brands, such as Distruptor®, Brofreya®, Sectin®, Provide®, Dinoace™, Taurus® and Tomatough®, are getting good traction and acceptance.
- **Domestic Channel stress**: Channel inventory is being maintained as per the strategy and PI is not witnessing any abnormality.
- Seasonality: The domestic business is majorly (60%) done in H1, while exports are evenly distributed between H1 and H2.

Pharma:

- Both acquisitions are being done through PI Health Sciences Ltd. (PIHS), a 100% subsidiary of PI.
- PIHS will combine R&D capabilities of the acquired businesses with the brand-new integrated pharma research centre being developed in IKP Hyderabad for CRO and CDMO offerings.
- The pharma business will take at least 2.5 to 3 years to reach current ROCE levels.
- The management is projecting annual INR5-6b of revenue with 15-18% of EBITDA margins from Therachem's business after the finalization of the transaction. The margin expectation is lower for initial years due to integration expenses.

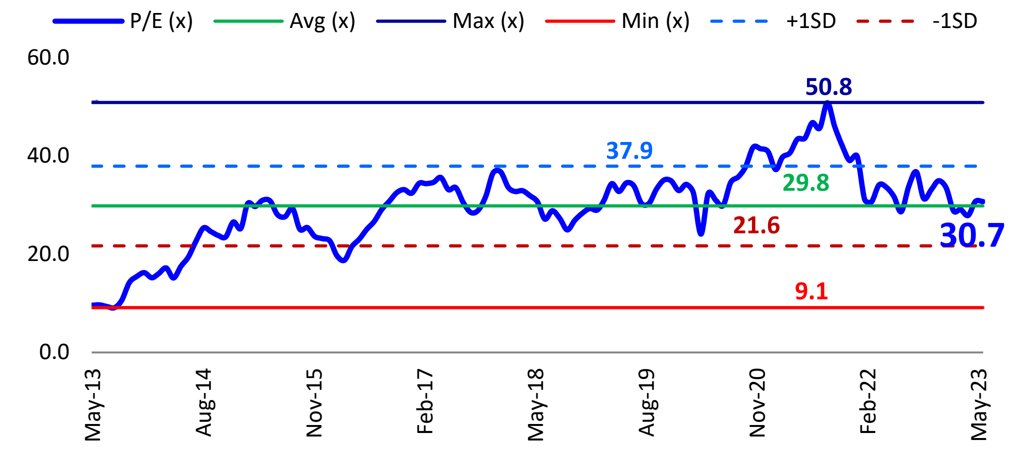
Guidance:

- **Capex:** PI incurred a total capex of INR3.4b in FY23. The management has guided for a capex of INR8-9b in FY24, which includes INR3b of spillover capex from FY23. The balance INR6b capex will be for the core business of CSM and domestic business.
- The major part of this capex is for capacity building where the company is adding two more multi-purpose plants (MPPs). The other part of the capex is for further automation, R&D, qualitative improvement and technical upgrades. Benefits of this capex will be realized from FY25 onward.
- **Capital allocation:** PI has identified several strategic initiatives for long-term growth, and cash on books will be deployed over the years. New initiatives include: 1) expanding global manufacturing footprint in India, 2) strengthening its products portfolio in domestic market, and 2) some initiatives on the pharma business.
- **The management has guided for consolidated revenue growth of 18-20% going forward. This growth guidance excludes pharma consolidation.**
- PI expects **volume to grow by 18-20% in FY24** (major growth driver for FY24 and to be across product portfolio). Price and currency are not expected to move much in FY24.
- As a result, margin will increase, led by operating leverage and improved efficiencies.

Valuation and view

- PI has levers in place to sustain near-term growth momentum, led by: 1) consistent growth momentum in the CSM business, driven by a strong (USD1.8b) order book, the rising pace of commercialization of new molecules, and a sales ramp-up in existing molecules; 2) product launches in the domestic market (seven new launches in FY23); and 3) the recent acquisition in the pharma API and CDMO space, which is expected to be one of the key growth pillars for the company in the future by creating a differentiated position in the pharma sector by leveraging its core competencies.
- We expect a revenue/EBIDTA/Adj. PAT CAGR of 25%/25%/23% over FY23-25.
- We maintain our FY24/FY25 EPS estimates and reiterate our **BUY** rating on the stock, valuing it at 35x FY25E EPS to arrive at a TP of INR4,300.

Exhibit 11: One-year forward P/E (x)



Source: MOFSL

Exhibit 12: Change in estimates

Earnings Change	Old		New		Change	
(INR m)	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	86,891	1,01,137	86,795	1,00,735	0%	0%
EBITDA	21,571	25,037	21,115	24,265	-2%	-3%
Adj. PAT	16,515	19,218	16,267	18,632	-1%	-3%

Source: MOFSL

Financials and valuations

Income Statement (Consolidated) (INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Gross Revenue	23,833	23,087	28,409	33,665	45,770	52,995	64,920	86,795	1,00,735
Excise Duty	1,065	316	0	0	0	0	0	0	0
Net Revenue	**22,768**	**22,771**	**28,409**	**33,665**	**45,770**	**52,995**	**64,920**	**86,795**	**1,00,735**
Change (%)	8.6	0.0	24.8	18.5	36.0	15.8	22.5	33.7	16.1
Cost of Materials Consumed	11,632	11,690	15,502	18,474	25,712	29,228	35,527	47,390	55,001
% of Sales	51.1	51.3	54.6	54.9	56.2	55.2	54.7	54.6	54.6
Personnel Expenses	2,226	2,432	2,647	3,209	4,169	4,804	5,266	6,596	7,656
% of Sales	9.8	10.7	9.3	9.5	9.1	9.1	8.1	7.6	7.6
Other Expenses	3,378	3,715	4,496	4,804	5,767	7,539	8,706	11,694	13,813
% of Sales	14.8	16.3	15.8	14.3	12.6	14.2	13.4	13.5	13.7
Total Expenditure	**17,236**	**17,837**	**22,645**	**26,487**	**35,648**	**41,571**	**49,499**	**65,680**	**76,470**
% of Sales	75.7	78.3	79.7	78.7	77.9	78.4	76.2	75.7	75.9
EBITDA	**5,533**	**4,934**	**5,764**	**7,178**	**10,122**	**11,424**	**15,421**	**21,115**	**24,265**
Margin (%)	24.3	21.7	20.3	21.3	22.1	21.6	23.8	24.3	24.1
Depreciation	730	830	930	1,367	1,748	2,018	2,265	2,700	3,136
EBIT	**4,802**	**4,104**	**4,834**	**5,811**	**8,374**	**9,406**	**13,156**	**18,415**	**21,128**
Int. and Finance Charges	72	53	50	170	282	128	371	30	30
Other Income	366	603	595	489	1,249	1,014	1,590	1,128	1,259
PBT	**5,096**	**4,653**	**5,379**	**6,130**	**9,341**	**10,292**	**14,375**	**19,513**	**22,357**
Current Tax	1,035	1,001	1,176	1,259	1,753	1,950	2,592	3,317	3,801
Deferred Tax	-534	-22	101	313	249	-60	-444	0	0
Tax Rate (%)	9.8	21.0	23.7	25.6	21.4	18.4	14.9	17.0	17.0
Less: MI/Profit & Loss of associates	1	-2	0	-8	-44	-36	-68	-71	-75
Reported PAT	**4,594**	**3,676**	**4,102**	**4,566**	**7,383**	**8,438**	**12,295**	**16,267**	**18,632**
Adjusted PAT	**4,594**	**3,676**	**4,102**	**4,566**	**7,383**	**8,438**	**12,295**	**16,267**	**18,632**
Change (%)	47.5	-20.0	11.6	11.3	61.7	14.3	45.7	32.3	14.5
Margin (%)	20.2	16.1	14.4	13.6	16.1	15.9	18.9	18.7	18.5

Balance Sheet (Consolidated) (INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	138	138	138	138	152.0	152.0	152.0	152.0	152.0
Total Reserves	16,134	19,111	22,716	26,053	53,272	61,052	71,833	86,580	1,03,464
Net Worth	**16,272**	**19,248**	**22,854**	**26,191**	**53,424**	**61,204**	**71,985**	**86,732**	**1,03,616**
Deferred Liabilities	0	0	0	102	796	875	213	213	213
Total Loans	1,198	834	99	5,077	3,279	2,678	0	0	0
Capital Employed	**17,470**	**20,082**	**22,953**	**31,370**	**57,499**	**64,757**	**72,198**	**86,945**	**1,03,829**
Gross Block	12,942	14,298	17,109	24,366	28,921	34,082	37,877	46,505	51,505
Less: Accum. Deprn.	3,492	4,322	5,252	6,619	8,367	10,385	12,650	15,350	18,486
Net Fixed Assets	**9,450**	**9,977**	**11,857**	**17,747**	**20,554**	**23,697**	**25,227**	**31,156**	**33,019**
Goodwill on Consolidation	0	0	0	0	0	0	0	3,891	4,233
Capital WIP	773	899	1,828	1,828	2,875	1,145	1,324	5,000	3,500
Current Investments	824	1,595	1,119	1,325	8,517	8,547	9,843	10,843	11,843
Total Investments	**833**	**1,607**	**1,291**	**1,504**	**8,724**	**8,995**	**10,156**	**11,156**	**12,156**
Curr. Assets, Loans&Adv.	**11,760**	**13,515**	**16,431**	**21,169**	**37,866**	**44,074**	**48,090**	**54,230**	**72,316**
Inventory	4,320	4,520	5,357	7,989	10,528	14,234	13,976	18,786	21,803
Account Receivables	4,237	5,268	6,618	6,465	7,035	8,687	7,720	13,079	15,179
Cash and Bank Balance	1,326	1,307	892	1,342	14,757	14,102	22,429	13,686	25,261
Loans and Advances	1,877	2,420	3,564	5,373	5,546	7,051	3,965	8,679	10,073
Curr. Liability & Prov.	**5,544**	**6,182**	**8,595**	**10,878**	**12,520**	**13,154**	**12,599**	**18,488**	**21,396**
Account Payables	2,878	3,687	5,130	5,909	7,960	9,242	8,380	12,204	14,165
Other Current Liabilities	2,350	2,155	3,049	4,421	4,008	3,555	3,838	5,902	6,850
Provisions	316	340	416	548	552	357	381	381	381
Net Current Assets	**6,216**	**7,333**	**7,836**	**10,291**	**25,346**	**30,920**	**35,491**	**35,742**	**50,921**
Deferred Tax assets	198	267	141	0	0	0	0	0	0
Appl. of Funds	**17,470**	**20,082**	**22,953**	**31,370**	**57,499**	**64,757**	**72,198**	**86,945**	**1,03,829**

Financials and valuations

Ratios									
Y/E March	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Basic (INR)									
EPS	**30.2**	**24.2**	**27.0**	**30.0**	**48.6**	**55.5**	**80.9**	**107.0**	**122.6**
Cash EPS	35.0	29.6	33.1	39.0	60.1	68.8	95.8	124.8	143.2
BV/Share	107.1	126.6	150.4	172.3	351.5	402.7	473.6	570.6	681.7
DPS	3.6	5.0	3.6	3.6	5.0	5.0	10.0	10.0	11.5
Payout (%)	14.6	25.1	16.4	14.7	10.3	9.0	12.4	9.3	9.4
Valuation (x)									
P/E	108.3	135.3	121.3	109.0	67.4	59.0	40.5	30.6	26.7
Cash P/E	93.4	110.4	98.9	83.9	54.5	47.6	34.2	26.2	22.9
P/BV	30.6	25.8	21.8	19.0	9.3	8.1	6.9	5.7	4.8
EV/Sales	21.8	21.8	17.5	14.9	10.6	9.2	7.3	5.6	4.7
EV/EBITDA	89.9	100.7	86.2	69.8	48.0	42.5	30.8	22.9	19.5
Dividend Yield (%)	0.1	0.2	0.1	0.1	0.2	0.2	0.3	0.3	0.4
FCF per share	14.4	10.9	1.7	2.1	18.9	12.7	77.3	-15.1	96.7
Return Ratios (%)									
EBITDA Margins (%)	24.3	21.7	20.3	21.3	22.1	21.6	23.8	24.3	24.1
Net Profit Margins (%)	20.2	16.1	14.4	13.6	16.1	15.9	18.9	18.7	18.5
RoE	32.8	20.7	19.5	18.6	18.5	14.7	18.5	20.5	19.6
RoCE	30.4	19.8	19.2	17.3	17.2	14.1	18.5	20.4	19.5
RoIC	32.3	21.0	20.9	18.9	22.8	21.4	28.4	32.0	29.2
Working Capital Ratios									
Fixed Asset Turnover (x)	1.8	1.6	1.7	1.4	1.6	1.6	1.7	1.9	2
Asset Turnover (x)	1.3	1.1	1.2	1.1	0.8	0.8	0.9	1.0	1.0
Inventory (Days)	69	72	69	87	84	98	79	79	79
Debtor (Days)	65	83	85	70	56	60	43	55	55
Creditor (Days)	90	115	121	117	113	115	86	94	94
Working Cap. Turnover (Days)	78	97	89	97	84	116	73	93	93
Leverage Ratio (x)									
Current Ratio	2.1	2.2	1.9	1.9	3.0	3.4	3.8	2.9	3.4
Interest Cover Ratio	67	77	97	34	30	73	35		
Debt/Equity	0.1	0.04	0.00	0.2	0.1	0.0	0.0	0.0	0.0

Cash Flow Statement (Consolidated)									(INR m)
Y/E March	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
OP/(Loss) before Tax	5,095	4,655	5,379	6,138	9,385	10,328	14,443	19,513	22,357
Depreciation	730	830	930	1,367	1,748	2,018	2,265	2,700	3,136
Interest & Finance Charges	72	53	50	170	282	128	371	30	30
Direct Taxes Paid	-1,212	-963	-1,183	-1,048	-1,647	-1,751	-2,558	-3,317	-3,801
(Inc)/Dec in WC	-1,234	-1,045	-1,503	255	-1,303	-5,276	2,050	-8,994	-3,604
CF from Operations	**3,451**	**3,530**	**3,673**	**6,882**	**8,465**	**5,447**	**16,571**	**9,932**	**18,119**
Others	-63	-336	235	99	-1,216	-160	-1,557	71	75
CF from Operating incl EO	**3,388**	**3,194**	**3,908**	**6,981**	**7,249**	**5,287**	**15,014**	**10,003**	**18,194**
(inc)/dec in FA	-1,413	-1,696	-3,677	-6,693	-4,375	-3,362	-3,263	-12,305	-3,500
Free Cash Flow	**1,976**	**1,498**	**231**	**288**	**2,874**	**1,925**	**11,751**	**-2,302**	**14,694**
(Pur)/Sale of Investments	-1,090	-375	427	1,014	-5,516	39	-941	-4,891	-1,342
Others	151	266	34	-4,170	-14,413	2,219	-758	0	0
CF from Investments	**-2,351**	**-1,805**	**-3,216**	**-9,849**	**-24,304**	**-1,104**	**-4,962**	**-17,196**	**-4,842**
Issue of Shares	0	0	0	0	19,736	0	0	0	0
Inc/(Dec) in Debt	-248	-365	-399	4,562	-1,786	-720	-2,669	0	0
Interest Paid	-72	-53	-50	-179	-244	-85	-342	-30	-30
Dividend Paid	-248	-662	-831	-748	-607	-758	-1,137	-1,520	-1,748
Others	297	-329	173	-317	13,371	-3,275	2,423	0	0
CF from Fin. Activity	**-271**	**-1,409**	**-1,107**	**3,318**	**30,470**	**-4,838**	**-1,725**	**-1,550**	**-1,778**
Inc/Dec of Cash	**766**	**-20**	**-415**	**450**	**13,415**	**-655**	**8,327**	**-8,743**	**11,575**
Opening Balance	560	1,326	1,307	892	1,342	14,757	14,102	22,429	13,686
Closing Balance	**1,326**	**1,307**	**892**	**1,342**	**14,757**	**14,102**	**22,429**	**13,686**	**25,261**

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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