

# Godrej Agrovet

Estimate change



TP change



Rating change



Bloomberg	GOAGRO IN
Equity Shares (m)	192
M.Cap.(INRb)/(USDb)	106.7 / 1.3
52-Week Range (INR)	594 / 415
1, 6, 12 Rel. Per (%)	6/3/6
12M Avg Val (INR M)	108

## Financials & Valuations (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	95.6	104.1	114.5
EBITDA	7.0	7.9	8.9
Adj. PAT	3.6	4.3	5.0
EBITDA Margin (%)	7.3	7.6	7.8
Cons. Adj. EPS (INR)	18.7	22.1	25.9
EPS Gr. (%)	44.1	18.2	17.0
BV/Sh. (INR)	131	143	158

## Ratios

Net D:E	0.5	0.4	0.4
RoE (%)	14.8	16.2	17.2
RoCE (%)	10.3	11.5	12.5
Payout (%)	53.4	47.4	40.5

## Valuations

P/E (x)	29.6	25.1	21.4
EV/EBITDA (x)	17.5	15.5	13.7
Div. Yield (%)	1.8	1.9	1.9
FCF Yield (%)	2.5	2.4	2.9

## Shareholding pattern (%)

	Mar-24	Dec-23	Mar-23
Promoter	74.1	74.1	74.1
DII	12.9	13.3	13.6
FII	1.7	1.7	1.6
Others	11.4	11.0	10.8

Note: FII includes depository receipts

**CMP: INR555**

**TP: INR570 (3%)**

**Neutral**

## Broad-based improvement in operating performance; palm oil business lags

### Operating performance above our estimates

- Godrej Agrovet (GOAGRO) reported strong operating performance (EBIT up ~3.4x YoY) in 4QFY24, driven by improved profitability in crop protection (EBIT up 3.5x YoY) and a turnaround in dairy business (EBIT of INR203m vs. operating loss of ~INR83m). The animal feed business also contributed significantly, with EBIT rising 53% YoY. However, the palm oil business recorded a weaker performance, with EBIT declining ~50% YoY.
- Factoring 4QFY24 performance, we raise our EBITDA estimates for FY25/FY26 by 7%/10% to account for improved profitability of the dairy business and strong performance of crop protection business. We retain our **Neutral** rating on the stock.

### Improved gross margins drive profitability

- Consolidated revenue grew 2% YoY to INR21.3b (est. INR22.4b). EBITDA margins expanded 340bp YoY to 6.9% (est.5.1%), led by 580bp-YoY expansion in gross margins to 25.5%. EBITDA stood at INR1.5b, up 2x YoY (est. INR1.1b). Adj. PAT grew 84% YoY to INR571m (est. INR532m).
- **Animal Feed business:** Revenue declined ~2% YoY to INR11.9b, primarily led by lower poultry feed sales. Total sales volume declined 0.5% YoY to 362KMT. EBIT/kg grew 53% YoY to INR1.87, led by favorable commodity price movement & higher realizations in cattle feed category.
- **Palm Oil business:** Revenue grew 28% YoY to INR1.9b. EBIT margin contracted 7.6pp YoY to 4.9%. EBIT stood at INR92m, down 50% YoY. Lower sales volumes led by lower brought forward inventory and ~7% YoY decline in Fresh Fruit Bunch (FFB) arrival adversely impacted profitability during the quarter.
- **Crop Protection business:** Consolidated revenue/EBIT grew 5%/3.5x YoY to INR2.5b/INR468m, led by strong performance from standalone business and Astec. Astec Lifesciences revenue/EBITDA grew 21%/85% YoY to INR1.5b/INR150m, led by higher salience of CDMO business and new products.
- **Dairy business** revenue declined ~2% YoY to INR3.9b. Operating profit stood at INR203m in 4QFY24 vs. operating loss of INR83m in 4QFY23. The business witnessed structural turnaround in profitability, led by significant improvement in operational efficiencies and improved milk spread.
- **Poultry and Processed Food business** revenue declined 12% YoY to INR2.2b. Operating profit stood at INR119m in 4QFY24 vs. operating loss of INR32m in 4QFY23, led by higher live bird prices and an increase in volume of branded products.
- For FY24, Revenue/EBITDA/Adj. PAT grew 2%/34%/45% YoY to INR95.6b/INR7b/INR3.6b.

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

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Highlights from the management commentary**

- **Animal Feed:** The company expects growth in animal feed to be led by fish feed and cattle feed segments in FY25. Cattle feed and Fish feed markets are huge and both these segments are expected to grow in double digits in the foreseeable future.
- **Crop protection:** The company's contract manufacturing business has grown by ~67% YoY in FY24. Management expects similar growth in FY25, led by strong R&D and new product development.
- **Dairy:** The company is focussing on Value-added Products (VAP), which currently is ~36% of total dairy revenue in FY24 (vs. ~32% in FY23). It is expected to further increase by ~400-500bp in FY25.

**Valuation and view**

- GOAGRO is expected to witness near-term hurdles in its enterprise product segment of crop protection business (Astec). However, animal feed and standalone crop protection are likely to sustain healthy performances.
- In 4QFY24, the dairy and poultry/processed food businesses underwent a turnaround, and are poised for continued robust performance in FY25. This growth trajectory is led by enhanced focus on value-added products/ branded products.
- Factoring in 4QFY24 performance, we raise our EBITDA estimates for FY25/FY26 by 7%/10% to account for improved profitability of dairy business and strong performance of the crop protection business. We retain our Neutral rating on the stock with our SoTP-based **TP of INR570**.

**Consolidated - Quarterly Earning Model****(INR m)**

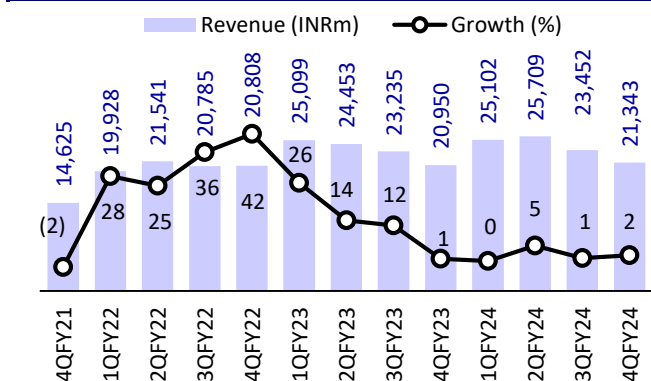
Y/E March	FY23				FY24				FY23	FY24	FY24E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
<b>Gross Sales</b>	<b>25,099</b>	<b>24,453</b>	<b>23,235</b>	<b>20,950</b>	<b>25,102</b>	<b>25,709</b>	<b>23,452</b>	<b>21,343</b>	<b>93,737</b>	<b>95,606</b>	<b>22,377</b>	<b>-5</b>
YoY Change (%)	25.9	13.5	11.8	0.7	0.0	5.1	0.9	1.9	12.9	2.0	6.8	
Total Expenditure	23,483	22,950	21,872	20,204	23,173	23,694	21,861	19,863	88,509	88,591	21,244	
<b>EBITDA</b>	<b>1,616</b>	<b>1,503</b>	<b>1,363</b>	<b>746</b>	<b>1,929</b>	<b>2,014</b>	<b>1,591</b>	<b>1,480</b>	<b>5,228</b>	<b>7,015</b>	<b>1,132</b>	<b>31</b>
Margins (%)	6.4	6.1	5.9	3.6	7.7	7.8	6.8	6.9	5.6	7.3	5.1	
Depreciation	449	461	469	476	528	529	530	556	1,855	2,143	535	
Interest	216	257	249	270	295	279	251	254	991	1,079	260	
Other Income	77	88	76	126	115	112	84	102	367	413	115	
<b>PBT before EO expense</b>	<b>1,028</b>	<b>873</b>	<b>721</b>	<b>127</b>	<b>1,222</b>	<b>1,318</b>	<b>894</b>	<b>772</b>	<b>2,749</b>	<b>4,206</b>	<b>453</b>	
Extra-Ord expense	0	0	-708	0	0	0	0	0	-708	0	0	
<b>PBT</b>	<b>1,028</b>	<b>873</b>	<b>1,429</b>	<b>127</b>	<b>1,222</b>	<b>1,318</b>	<b>894</b>	<b>772</b>	<b>3,457</b>	<b>4,206</b>	<b>453</b>	
Tax	279	219	334	-8	353	369	191	220	823	1,133	114	
Rate (%)	27.1	25.1	23.4	-6.6	28.9	28.0	21.3	28.5	23.8	26.9	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	-77	-64	-69	-175	-185	-104	-215	-19	-385	-523	-193	
<b>Reported PAT</b>	<b>827</b>	<b>718</b>	<b>1,164</b>	<b>310</b>	<b>1,053</b>	<b>1,053</b>	<b>918</b>	<b>571</b>	<b>3,019</b>	<b>3,596</b>	<b>532</b>	
<b>Adj PAT</b>	<b>827</b>	<b>718</b>	<b>640</b>	<b>310</b>	<b>1,053</b>	<b>1,053</b>	<b>918</b>	<b>571</b>	<b>2,495</b>	<b>3,596</b>	<b>532</b>	<b>7</b>
YoY Change (%)	-22.0	-34.3	-17.8	-74.6	27.3	46.7	43.5	84.2	-40.6	44.1	71.4	
Margins (%)	3.3	2.9	2.8	1.5	4.2	4.1	3.9	2.7	2.7	3.8	2.4	

## Key Performance Indicators

Y/E March	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Segment Revenue Gr. (%)</b>										
Animal Feed (AF)	24.4	7.6	14.6	10.2	3.1	1.8	1.5	-2.3	13.9	1.0
Palm Oil	33.3	0.8	-5.9	-22.8	-39.9	10.5	-2.2	28.3	2.7	(6.0)
Crop Protection	-0.3	44.3	-1.4	-31.4	3.8	2.3	3.1	5.1	(0.1)	3.5
Dairy	47.6	27.0	20.9	18.5	7.9	8.1	5.3	-1.7	27.8	4.8
<b>Segment EBIT Margin (%)</b>										
Animal Feed	2.0	4.0	4.5	3.7	4.2	4.6	4.0	5.7	3.6	4.6
Palm Oil	22.3	16.2	21.9	12.5	12.1	15.4	19.0	4.9	19.2	14.2
Crop Protection	12.2	15.9	4.0	5.5	20.9	17.1	11.1	18.4	10.5	17.5
Dairy	-2.6	-3.3	-3.9	-2.1	-0.6	0.8	2.8	5.2	(2.9)	2.0
<b>AF Volumes (000'MT)</b>	<b>353</b>	<b>357</b>	<b>384</b>	<b>364</b>	<b>374</b>	<b>372</b>	<b>390</b>	<b>362</b>	<b>900</b>	<b>945</b>
<b>AF Realization (INR/kg)</b>	<b>35.3</b>	<b>34.2</b>	<b>33.2</b>	<b>33.5</b>	<b>34.3</b>	<b>33.4</b>	<b>33.1</b>	<b>32.8</b>	<b>34.0</b>	<b>33.4</b>
<b>Cost Break-up</b>										
RM Cost (% of sales)	79.2	78.1	77.8	80.3	75.8	76.3	76.3	74.5	78.8	75.8
Staff Cost (% of sales)	4.8	4.8	5.3	4.4	5.4	5.5	5.2	6.6	4.8	5.6
Other Cost (% of sales)	9.6	10.9	11.0	11.8	11.1	10.3	11.7	12.0	10.8	11.3
Gross Margins (%)	20.8	21.9	22.2	19.7	24.2	23.7	23.7	25.5	21.2	24.2
EBITDA Margins (%)	6.4	6.1	5.9	3.6	7.7	7.8	6.8	6.9	5.6	7.3
EBIT Margins (%)	4.7	4.3	3.8	1.3	5.6	5.8	4.5	4.3	3.6	5.1

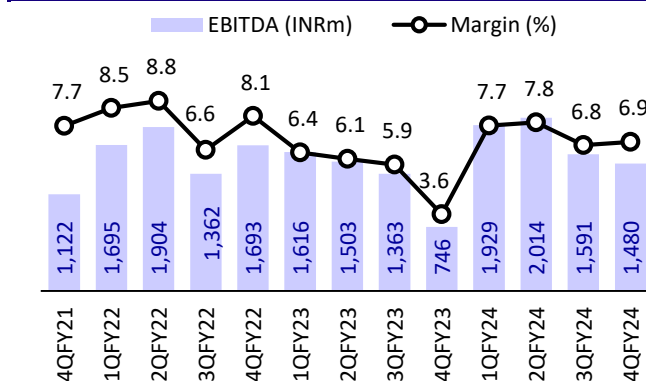
## Key exhibits

Exhibit 1: Consolidated revenue trend



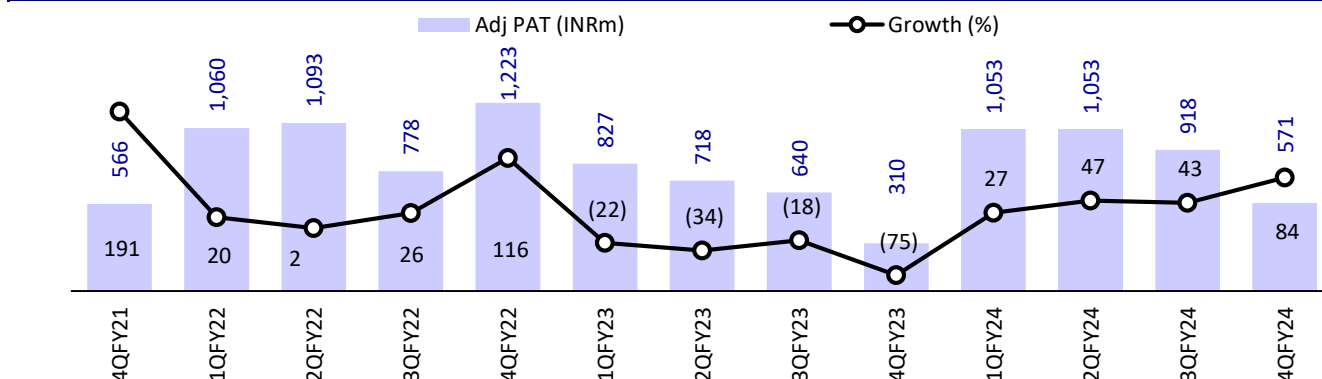
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



Source: Company, MOFSL

**Exhibit 4: Animal Feed business**

Particulars	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Volume (MT)	3,47,430	3,52,893	3,56,933	3,83,712	3,63,914	3,74,215	3,72,212	3,90,472	3,62,116
Growth (%)	19.5	11.4	5.7	6.9	4.7	6.0	4.3	1.8	-0.5
Revenue (INR m)	11,049	12,459	12,203	12,724	12,180	12,847	12,420	12,914	11,896
Growth (%)	38.2	24.4	7.6	14.6	10.2	3.1	1.8	1.5	-2.3
EBIT (INR m)	601.8	244.9	492.8	578.2	445	539.8	570.6	522.6	678.7
Margin (%)	5.4	2.0	4.0	4.5	3.7	4.2	4.6	4.0	5.7
Growth (%)	5.9	-61.6	-14.5	12.0	-26.1	120.4	15.8	-9.6	52.5

**Exhibit 5: Consolidated Crop Protection**

Particulars	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Revenue (INR m)	3,528	3,681	3,704	2,157	2,421	3,819	3,790	2,225	2,544
Growth (%)	32.8	-0.3	44.3	-1.4	-31.4	3.8	2.3	3.1	5.1
EBIT (INR m)	834	448	589	86	132	799	649	248	468
Margin (%)	23.6	12.2	15.9	4.0	5.5	20.9	17.1	11.1	18.4
Growth (%)	54.7	-46.0	12.9	-44.5	-84.1	78.5	10.2	188.6	253.4

**Exhibit 6: Standalone Crop Protection**

Particulars	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Revenue (INR m)	1,051	1,981	1,704	992	1,280	2,640	2,600	1,720	1,190
Growth (%)	12.4	-17.6	10.6	119.0	21.8	33.3	52.6	73.4	-7.0
EBIT (INR m)	212	261	310	34	140	850	770	520	410
Margin (%)	20.2	13.2	18.2	3.4	10.9	32.2	29.6	30.2	34.5
Growth (%)	2.4	-59.2	-17.6	-116.0	-34.0	225.8	148.5	1429.4	192.9

**Exhibit 7: Astec Lifesciences**

Particulars	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Revenue (INR m)	2,477	1,700	2,000	1,165	1,141	1,179	1,190	505	1,354
Growth (%)	44.1	32.1	94.9	-32.8	-53.9	-30.6	-40.5	-56.7	18.7
EBITDA (INR m)	723	282	373	159	80	50	-24	-170	150
Margin (%)	29.2	16.6	18.7	13.7	7.0	4.2	-2.0	-33.7	11.1
Growth (%)	82.1	10.6	69.5	-64.5	-88.9	-82.3	-106.4	-206.8	87.5

**Exhibit 8: Palm Oil business**

Particulars	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Revenue (INR m)	1,892	3,852	4,047	3,625	1,461	2,317	4,474	3,545	1,875
Growth (%)	163.8	33.3	0.8	-5.9	-22.8	-39.9	10.5	-2.2	28.3
EBIT (INR m)	330	858	656	794	183	280	687	672	92
Margin (%)	17.5	22.3	16.2	21.9	12.5	12.1	15.4	19.0	4.9
Growth (%)	523.2	163.3	-16.0	-18.2	-44.5	-67.3	4.8	-15.4	-49.9

**Exhibit 9: Dairy business**

Particulars	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Revenue (INR m)	3,367	3,934	3,608	3,478	3,991	4,245	3,901	3,662	3,921
Growth (%)	20.2	47.6	27.0	20.9	18.5	7.9	8.1	5.3	-1.7
EBITDA (INR m)	46	46	46	46	47	47	47	47	47
Margin (%)	1.4	1.2	1.3	1.3	1.2	1.1	1.2	1.3	1.2
Growth (%)	31.4	-248.4	-248.4	-253.3	2.2	2.2	2.2	2.2	0.0
EBIT (INR m)	-29.2	-101.4	-117.9	-136.3	-82.9	-25	29.3	102.2	203.4
Margin (%)	-0.9	-2.6	-3.3	-3.9	-2.1	-0.6	0.8	2.8	5.2

**Exhibit 10: Poultry and Processed Foods**

Particulars	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Revenue (INR m)	2,023	2,482	2,284	2,805	2,461	3,102	2,369	2,229	2,164
Growth (%)	45.8	39.8	13.7	38.0	21.7	25.0	3.7	-20.5	-12.1
EBIT (INR m)	118	164	-103	132	-32	269	149	-73	119
Margin (%)	5.8	6.6	-4.5	4.7	-1.3	8.7	6.3	-3.3	5.5
Growth (%)	NA	NA	NA	NA	NA	NA	NA	NA	NA

Source: Company, MOFSL



## Highlights from the management commentary

### Palm Oil

- Average prices of crude palm oil (CPO) declined 4% YoY to INR81,647 per MT, while average prices of palm kernel oil (PKO) grew 1% YoY to INR1,12,314 per MT.
- CPO & PKO prices retreated from the record highs seen in FY23, returning to more normalized levels during FY24.
- The oil extraction ratio (OER) for 4QFY24 improved on a YoY as well as QoQ basis.
- Lower sales volumes in 4QFY24, led by lower opening inventory of PKO and ~7% drop in Fresh Fruit Bunch (FFB) arrival volumes adversely impacted profitability in a seasonally weak quarter.
- In FY24, FFB volume growth of 6% was more than offset by lower CPO and PKO prices.
- Palm oil prices have dropped significantly, but have stabilized for now. Prices are expected to rise a bit. However, prices will also depend on the import duty imposed on it.
- The company has commissioned a refinery within its oil farm business.
- Company is moving toward value-added and downstream products within the segment

### Animal Feed

- Sales volume declined 0.5% YoY to ~362k tons in 4QFY24.
- Segment margin improved considerably on a YoY basis due to favorable commodity positions and higher realizations in the cattle feed category
- For FY24, sales volumes were up 3% YoY. Sustained growth in cattle feed/fish feed volumes (up 11%/19% YoY) was partly offset by lower poultry feed sales.
- New products launched in 4QFY24 in the cattle feed segment will help sustain volume growth going ahead.
- The company expects growth in animal feed to be led by fish feed and cattle feed segments in FY25. Cattle feed and Fish feed markets are huge. Both these segments can grow in double digits in the foreseeable future.
- The poultry market is shrinking, but the company will maintain its dominant position and volumes within the segment.
- Currently, fish feed prices are very high, but they are softening.

### Crop Protection

- The standalone segment delivered robust performance throughout the year, driven by higher sales of in-house and in-licensed portfolio and lower sales returns as compared to FY23.
- Standalone Crop Protection segment results witnessed strong growth in the fourth quarter as well.

### Astec Lifesciences

- Higher salience of contract manufacturing (CDMO) and new products in 4QFY24 helped improve the topline & margin profile on a YoY basis. However, it was more than offset by subdued performance in enterprise products due to lower realizations and margins on account of severe demand-supply imbalance.
- **CDMO business:** With the new R&D centre operational, the company is focusing on launching new products under the CDMO business.

- The company's CDMO business has grown by ~67% YoY in FY24. Management expects similar growth in FY25, led by strong R&D and new product development.
- Currently, the CDMO business records a higher margin than the Enterprise business.

### Dairy business

- In 4QFY24, the Dairy business witnessed a notable improvement in segment margin, driven by operational efficiencies and reduced procurement costs as compared to the same period in FY23.
- Major improvement in margins was witnessed from consolidation of milk procurement centres and rationalization of SKUs. Most of these turnaround projects yield results in latter part of year and the same is expected to continue in FY25.
- VAP revenues grew 9% YoY in 4QFY24; growth was driven by volumes as well as realizations.
- Given the intense competition in liquid milk across most regions of the country, the company has shifted its focus on value-added products, which offer higher margins.
- In FY24, salience of value-added products has improved to 36% of total sales from 32% in the previous year. The company expects VAP salience to further increase by ~400-500bp.
- Premiumization, new product development, and branding will aid growth within the segment going ahead.

### Godrej Tyson Foods (GTFL)

- GTFL's profitability improved significantly, driven by higher live bird prices and an increase in volume of branded products in 4QFY24 vs. 4QFY23.
- For FY24, revenues declined primarily due to lower volumes in live bird business as GTFL continued to focus on branded business & reduce exposure to live bird business.
- Branded business volumes has grown by ~15% YoY in FY24. A similar growth trajectory is expected in FY25.
- Yummiez contribution margin stood at ~35%. Real good chicken contribution margin is ~15% (significant portion of sales within Real good chicken category is coming from B2B, i.e., sales to QSR and kitchens).

### Valuation and view

- GOAGRO is expected to witness near-term hurdles in its enterprise product segment of crop protection business (Astec). However, animal feed and standalone crop protection are likely to sustain healthy performances.
- In 4QFY24, the dairy and poultry/processed food businesses underwent a turnaround, and are poised for continued robust performance in FY25. This growth trajectory is led by enhanced focus on value-added products/ branded products.
- Factoring in 4QFY24 performance, we raise our EBITDA estimates for FY25/FY26 by 7%/10% to account for improved profitability of the dairy business and strong performance of crop protection business. We retain our **Neutral** rating on the stock with our SoTP-based **TP of INR570**.

**Exhibit 11: Valuations**

Particulars	FY26 EBITDA (INRm)	EV/ EBITDA (x)	EV (INRm)	Net Debt (INRm)	Equity Value (INRm)	GOAGRO's share (%)	Value (INRm)	Value/ share (INR)	% Share
<b>Standalone</b>									
Crop Protection	2,891	11	32,088		32,088	100%	32,088	167	29
Palm Oil	2,410	11	26,631		26,631	100%	26,631	139	24
Animal Feed	3,473	11	38,200		38,200	100%	38,200	199	35
Unallocated expenses	-1,374	10	-14,291		-14,291	100%	-14,291	-74	-13
<b>Total</b>	<b>7,399</b>	<b>11</b>	<b>82,628</b>	<b>10,585</b>	<b>72,043</b>	<b>100%</b>	<b>72,043</b>	<b>375</b>	<b>66</b>
<b>Subsidiaries</b>									
Astec (mcap with 20% holdco disc)					18,690	57%	10,737	56	10
Creamline Dairy	678	12	8,139	-196	8,335	52%	4,326	23	4
Godrej Tyson Foods Limited & Others	838	15	12,576		12,576	51%	6,414	33	6
<b>JV/ Associate</b>									
ACI Godrej Agrovet Private Limited	2,112	15	31,682		31,682	50%	15,841	82	14
<b>Total</b>	<b>11,028</b>	<b>12</b>	<b>1,35,024</b>		<b>1,43,325</b>			<b>570</b>	<b>100</b>

Source: MOFSL

**Exhibit 12: Revisions to our estimates**

Earnings Change (INR m)	Old		New		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	1,05,394	1,13,481	1,04,086	1,14,511	-1	1
EBITDA	7,401	8,057	7,889	8,887	7	10
Adj. PAT	4,167	4,640	4,250	4,975	2	7

Source: MOFSL



## Financials and valuations

### Consolidated - Income Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	<b>52,059</b>	<b>59,177</b>	<b>68,294</b>	<b>62,667</b>	<b>83,061</b>	<b>93,737</b>	<b>95,606</b>	<b>1,04,086</b>	<b>1,14,511</b>
Change (%)	5.7	13.7	15.4	-8.2	32.5	12.9	2.0	8.9	10.0
Raw Materials	39,536	45,736	53,194	46,078	63,048	73,891	72,437	78,919	87,074
Employees Cost	2,763	2,944	3,541	3,764	4,393	4,534	5,391	5,725	6,069
Other Expenses	5,329	5,939	7,454	7,187	8,966	10,084	10,763	11,554	12,482
<b>Total Expenditure</b>	<b>47,629</b>	<b>54,619</b>	<b>64,189</b>	<b>57,029</b>	<b>76,407</b>	<b>88,509</b>	<b>88,591</b>	<b>96,197</b>	<b>1,05,625</b>
% of Sales	91.5	92.3	94.0	91.0	92.0	94.4	92.7	92.4	92.2
<b>EBITDA</b>	<b>4,430</b>	<b>4,558</b>	<b>4,104</b>	<b>5,638</b>	<b>6,654</b>	<b>5,228</b>	<b>7,015</b>	<b>7,889</b>	<b>8,887</b>
Margin (%)	8.5	7.7	6.0	9.0	8.0	5.6	7.3	7.6	7.8
Depreciation	859	982	1,481	1,540	1,733	1,855	2,143	2,347	2,521
<b>EBIT</b>	<b>3,571</b>	<b>3,577</b>	<b>2,624</b>	<b>4,098</b>	<b>4,921</b>	<b>3,373</b>	<b>4,872</b>	<b>5,542</b>	<b>6,366</b>
Int. and Finance Charges	453	339	416	465	631	991	1,079	1,053	991
Other Income	318	531	468	396	797	367	413	458	503
<b>PBT bef. EO Exp.</b>	<b>3,436</b>	<b>3,769</b>	<b>2,675</b>	<b>4,029</b>	<b>5,086</b>	<b>2,749</b>	<b>4,206</b>	<b>4,947</b>	<b>5,878</b>
EO Items	121	883	682	0	-173	708	0	0	0
<b>PBT after EO Exp.</b>	<b>3,557</b>	<b>4,652</b>	<b>3,357</b>	<b>4,029</b>	<b>4,914</b>	<b>3,457</b>	<b>4,206</b>	<b>4,947</b>	<b>5,878</b>
Total Tax	1,207	1,280	481	1,055	1,224	823	1,133	1,245	1,480
Tax Rate (%)	33.9	27.5	14.3	26.20	24.91	23.81	26.9	25.2	25.2
Profit from Associate & MI	57	82	-185	-164	-337	-385	-523	-549	-576
<b>Reported PAT</b>	<b>2,292</b>	<b>3,290</b>	<b>3,062</b>	<b>3,137</b>	<b>4,026</b>	<b>3,019</b>	<b>3,596</b>	<b>4,250</b>	<b>4,975</b>
<b>Adjusted PAT</b>	<b>2,172</b>	<b>2,407</b>	<b>2,510</b>	<b>3,137</b>	<b>4,154</b>	<b>2,495</b>	<b>3,596</b>	<b>4,250</b>	<b>4,975</b>
Change (%)	-5.1	10.9	4.3	25.0	32.4	-39.9	44.1	18.2	17.0
Margin (%)	4.2	4.1	3.7	5.0	5.0	2.7	3.8	4.1	4.3

### Consolidated - Balance Sheet

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	1,920	1,920	1,920	1,921	1,921	1,922	1,922	1,922	1,922
Total Reserves	12,193	14,570	16,461	18,590	20,763	21,454	23,244	25,479	28,437
<b>Net Worth</b>	<b>14,114</b>	<b>16,490</b>	<b>18,381</b>	<b>20,511</b>	<b>22,684</b>	<b>23,375</b>	<b>25,167</b>	<b>27,401</b>	<b>30,359</b>
Minority Interest	2,693	4,010	3,825	4,103	4,203	4,061	4,045	4,042	4,040
Total Loans	4,098	3,950	6,185	9,428	15,660	13,215	13,085	12,585	11,585
Deferred Tax Liabilities	1,730	2,086	1,751	1,713	1,559	1,798	1,679	1,679	1,679
<b>Capital Employed</b>	<b>22,635</b>	<b>26,536</b>	<b>30,142</b>	<b>35,755</b>	<b>44,105</b>	<b>42,449</b>	<b>43,975</b>	<b>45,707</b>	<b>47,663</b>
Gross Block	15,185	21,246	23,812	26,551	29,372	30,520	34,717	37,500	40,056
Less: Accum. Deprn.	2,214	3,196	4,677	6,217	7,950	9,805	11,948	14,295	16,815
<b>Net Fixed Assets</b>	<b>12,971</b>	<b>18,050</b>	<b>19,136</b>	<b>20,334</b>	<b>21,422</b>	<b>20,715</b>	<b>22,770</b>	<b>23,205</b>	<b>23,241</b>
Goodwill on Consolidation	1,949	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649
Capital WIP	1,904	936	1,532	1,414	902	2,044	1,915	1,633	1,577
<b>Total Investments</b>	<b>1,952</b>	<b>1,165</b>	<b>1,292</b>	<b>1,237</b>	<b>1,597</b>	<b>1,584</b>	<b>1,766</b>	<b>1,766</b>	<b>1,766</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>16,749</b>	<b>19,542</b>	<b>22,392</b>	<b>22,355</b>	<b>29,271</b>	<b>27,867</b>	<b>27,933</b>	<b>30,386</b>	<b>33,175</b>
Inventory	7,629	9,517	9,436	10,419	14,288	13,441	13,830	14,759	15,916
Account Receivables	6,315	7,349	8,539	8,226	9,514	5,740	5,189	5,703	6,275
Cash and Bank Balance	299	299	508	509	347	295	529	556	678
Loans and Advances	2,507	2,378	3,910	3,200	5,123	8,390	8,385	9,368	10,306
<b>Curr. Liability &amp; Prov.</b>	<b>12,890</b>	<b>15,807</b>	<b>16,859</b>	<b>12,235</b>	<b>11,735</b>	<b>12,411</b>	<b>13,058</b>	<b>13,932</b>	<b>14,744</b>
Account Payables	9,550	12,394	12,885	7,326	6,948	7,043	6,278	7,379	8,103
Other Current Liabilities	2,955	2,934	3,467	4,206	3,384	4,459	6,020	5,725	5,726
Provisions	385	478	507	703	1,403	909	760	827	916
<b>Net Current Assets</b>	<b>3,859</b>	<b>3,736</b>	<b>5,533</b>	<b>10,120</b>	<b>17,536</b>	<b>15,456</b>	<b>14,875</b>	<b>16,454</b>	<b>18,431</b>
<b>Appl. of Funds</b>	<b>22,635</b>	<b>26,536</b>	<b>30,142</b>	<b>35,755</b>	<b>44,105</b>	<b>42,449</b>	<b>43,975</b>	<b>45,707</b>	<b>47,663</b>



## Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>11.3</b>	<b>12.5</b>	<b>13.1</b>	<b>16.3</b>	<b>21.6</b>	<b>13.0</b>	<b>18.7</b>	<b>22.1</b>	<b>25.9</b>
Cash EPS	15.8	17.6	20.8	24.4	30.7	22.7	29.9	34.4	39.0
BV/Share	73.5	85.9	95.7	106.8	118.1	121.7	131.1	142.7	158.1
DPS	4.5	4.5	5.5	8.0	9.5	9.5	10.0	10.5	10.5
Payout (%)	45.6	31.6	41.5	49.0	45.3	60.4	53.4	47.4	40.5
<b>Valuation (x)</b>									
P/E	49.1	44.3	42.4	34.0	25.7	42.7	29.6	25.1	21.4
Cash P/E	35.2	31.4	26.7	22.8	18.1	24.5	18.6	16.2	14.2
P/BV	7.5	6.5	5.8	5.2	4.7	4.6	4.2	3.9	3.5
EV/Sales	2.2	1.9	1.7	1.9	1.5	1.3	1.3	1.2	1.1
EV/EBITDA	25.5	25.1	28.3	21.2	18.9	23.6	17.5	15.5	13.7
Dividend Yield (%)	0.8	0.8	1.0	1.4	1.7	1.7	1.8	1.9	1.9
FCF per share	5.7	9.0	-1.2	-13.1	-20.2	33.6	14.1	13.5	15.9
<b>Return Ratios (%)</b>									
RoE	17.9	15.7	14.4	16.1	19.2	10.8	14.8	16.2	17.2
RoCE	14.7	15.4	11.8	12.2	12.6	7.6	10.3	11.5	12.5
RoIC	12.9	12.2	8.8	10.2	10.0	6.4	9.1	10.2	11.2
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	3.4	2.8	2.9	2.4	2.8	3.1	2.8	2.8	2.9
Asset Turnover (x)	2.3	2.2	2.3	1.8	1.9	2.2	2.2	2.3	2.4
Inventory (Days)	53	59	50	61	63	52	53	52	51
Debtor (Days)	44	45	46	48	42	22	20	20	20
Creditor (Days)	67	76	69	43	31	27	24	26	26
<b>Leverage Ratio (x)</b>									
Current Ratio	1.3	1.2	1.3	1.8	2.5	2.2	2.1	2.2	2.3
Interest Cover Ratio	7.9	10.6	6.3	8.8	7.8	3.4	4.5	5.3	6.4
Net Debt/Equity	0.3	0.2	0.3	0.4	0.7	0.6	0.5	0.4	0.4

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	3,717	4,773	3,486	4,531	5,416	2,749	4,206	4,947	5,878
Depreciation	859	982	1,481	1,540	1,733	1,855	2,143	2,347	2,521
Interest & Finance Charges	453	339	416	465	631	624	666	595	488
Direct Taxes Paid	-837	-1,097	-969	-1,123	-1,533	-823	-1,237	-1,245	-1,480
(Inc)/Dec in WC	-471	633	-2,204	-5,413	-7,085	4,335	812	-1,554	-1,856
<b>CF from Operations</b>	<b>3,721</b>	<b>5,629</b>	<b>2,210</b>	<b>0</b>	<b>-838</b>	<b>8,740</b>	<b>6,590</b>	<b>5,090</b>	<b>5,551</b>
Others	-183	-1,152	188	-104	-362	0	190	0	0
<b>CF from Operating incl EO</b>	<b>3,538</b>	<b>4,477</b>	<b>2,398</b>	<b>-104</b>	<b>-1,201</b>	<b>8,740</b>	<b>6,780</b>	<b>5,090</b>	<b>5,551</b>
(Inc)/Dec in FA	-2,448	-2,759	-2,634	-2,406	-2,680	-2,290	-4,068	-2,500	-2,500
<b>Free Cash Flow</b>	<b>1,091</b>	<b>1,719</b>	<b>-236</b>	<b>-2,510</b>	<b>-3,880</b>	<b>6,449</b>	<b>2,712</b>	<b>2,590</b>	<b>3,051</b>
(Pur)/Sale of Investments	-131	0	0	-9	-166	12	-182	0	0
Others	51	386	82	627	765	-564	976	1,004	1,077
<b>CF from Investments</b>	<b>-2,528</b>	<b>-2,372</b>	<b>-2,552</b>	<b>-1,787</b>	<b>-2,081</b>	<b>-2,842</b>	<b>-3,273</b>	<b>-1,496</b>	<b>-1,423</b>
Issue of Shares	2	0	0	0	0	1	1	0	0
Inc/(Dec) in Debt	-2,571	-680	2,311	3,579	5,778	-2,445	-130	-500	-1,000
Interest Paid	-455	-354	-390	-430	-602	-991	-1,079	-1,053	-991
Dividend Paid	-1,045	-1,076	-1,076	-1,122	-1,591	-1,824	-1,920	-2,016	-2,016
Others	2,818	4	-481	-136	-478	-689	-145	2	2
<b>CF from Fin. Activity</b>	<b>-1,250</b>	<b>-2,105</b>	<b>364</b>	<b>1,891</b>	<b>3,108</b>	<b>-5,949</b>	<b>-3,273</b>	<b>-3,567</b>	<b>-4,005</b>
<b>Inc/Dec of Cash</b>	<b>-240</b>	<b>0</b>	<b>210</b>	<b>-1</b>	<b>-173</b>	<b>-51</b>	<b>233</b>	<b>27</b>	<b>123</b>
Opening Balance	538	299	299	510	509	347	296	529	556
<b>Closing Balance</b>	<b>299</b>	<b>299</b>	<b>508</b>	<b>509</b>	<b>347</b>	<b>296</b>	<b>529</b>	<b>556</b>	<b>678</b>

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