MOTILAL OSWAL FINANCIAL SERVICES

29 October 2024

2QFY25 Results Update | Sector: Cement

J K Cement

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	JKCE IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	336.2 / 4
52-Week Range (INR)	4896 / 3060
1, 6, 12 Rel. Per (%)	0/-1/13
12M Avg Val (INR M)	657

Financial Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	116.9	131.1	147.6
EBITDA	18.6	24.8	29.9
Adj. PAT	6.2	9.8	13.3
EBITDA Margin (%)	15.9	18.9	20.3
Adj. EPS (INR)	84.7	126.9	171.7
EPS Gr. (%)	(17.5)	49.8	35.3
BV/Sh. (INR)	762	859	1,001
Ratios			
Net D:E	0.8	0.8	0.6
RoE (%)	11.1	15.7	18.5
RoCE (%)	8.9	11.1	13.1
Payout (%)	26.7	23.6	17.5
Valuations			
P/E (x)	51.5	34.4	25.4
P/BV (x)	5.7	5.1	4.4
EV/EBITDA(x)	20.0	15.0	12.3
EV/ton (USD)	164	135	133
Div. Yield (%)	0.6	0.7	0.7
FCF Yield (%)	0.1	1.1	3.1

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	45.7	45.7	45.8
DII	22.5	22.1	24.3
FII	17.5	17.7	14.4
Others	14.3	14.5	15.5

FII includes depository receipts

CMP: INR4,360 TP: INR5,000 (+15%) Buy

Lower volume and higher costs lead to missed earnings

Estimate gray cement volume growth between 6% and 7% YoY in FY25

- JK Cement (JKCE)'s 2QFY25 consolidated EBITDA was at INR2.8b (down 39% YoY) and ~22% below our estimates due to lower-than-estimated sales volume (6% miss) and higher-than-estimated opex/t (+5% vs. our estimate). Higher opex/t was partly due to: 1) higher branding expenses; 2) clinker purchases for its South plant due to the shutdown; and 3) higher maintenance costs. EBITDA/t declined 36% YoY to INR656 (est. INR787) and OPM contracted 6pp YoY to 11% (est. 14%). Adj. PAT declined 80% YoY to INR359m (60% miss).
- Management trimmed its gray cement volume guidance to ~6-7% YoY (vs. earlier estimate of ~10%). Cement demand has improved and the company expects volume growth YoY in Oct'24. The capacity expansion plan of 6mtpa is on track and expected to be commissioned in 2HFY26. Further, the company aims to realize cost savings of up to INR60/t in FY25E out of its cost-saving target of INR150-200/t in the next two years.
- We reduced EBITDA estimate 8% for FY25E and 5% for FY26E/FY27E (each) on lower volume growth and higher opex/t assumptions. We reiterate our BUY rating on the stock due to its steady expansion plans, better regional mix, and cost-saving initiatives. We value JKCE at 15x Sep'26E EV/EBITDA to arrive at our revised TP of INR5,000 (earlier INR5,270).

Gray cement volume/realization down 3%/6% YoY

- JKCE's consolidated revenue/EBITDA/adj. PAT stood at INR25.6b/INR2.8b/INR359m (down 7%/39%/80% YoY and down 5%/22%/60% vs. our est.). Combined sales volume declined 5% YoY to 4.3mt. Blended realization declined 2% YoY (up 2% QoQ) at INR5,918/t. Gray cement volume declined 3% YoY to 3.8mt and realization declined 6% YoY to INR4,707. Other op. income/t stood at INR206 vs. INR198/INR216 in 2QFY24/1QFY25.
- Opex/t increased 4% YoY, led by a 29%/17%/13% increase in employee cost/other expenses/freight costs. Meanwhile, variable cost/t declined 9% YoY. EBITDA/t declined 36% YoY to INR656. Depreciation and interest costs increased 7% YoY (each). Other income grew 29% YoY.
- In 1HFY25, revenue/EBITDA/Adj. PAT declined 3%/12%/27% YoY. Sales volume was flat YoY, while realization declined 3%. EBITDA/t dipped 12% YoY to INR840. Based on our estimate, the implied revenue growth for 2HFY25 is ~5%, while EBITDA/PAT may decline ~8%/19% YoY. For 2HFY25, we estimate volume growth of ~10% YoY and EBITDA/t of INR1,005 vs. INR1,200 in 2HFY24.

Highlights from the management commentary

- Gray cement realizations improved QoQ in 2QFY25, led by an improvement in the geographic and product mix and higher contribution from premium products.

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- Fuel consumption cost stood at INR1.65/kcal vs. INR1.94/INR1.62/kcal in 2QFY24/1QFY25. Fuel consumption cost increased QoQ due to inflation in the fuel cost of AFR.
- Capex is pegged at INR18-19b for FY25 and INR18b for FY26. Overall capex stood at INR7.5b in 1HFY25.

Valuation & view

- JKCE's profitability was adversely impacted during the quarter due to the demand slowdown, prolonged kiln shutdown at the South plant, and weak cement prices. However, it has shown QoQ improvement in realization, supported by a better regional and product mix. We are structurally positive on the company given its increasing scale of operation, better execution strategy, and cost reduction initiatives.
- We estimate its revenue/EBITDA/PAT CAGR at 9%/13%/18% over FY24-27, driven by a 9% CAGR in sales volume and improvement in EBITDA/t. The stock trades at 15x/12x FY26E/FY27E EV/EBITDA. We value the stock at 15x Sep'26E EV/EBITDA to arrive at our revised TP of INR5,000 (earlier INR5,270). **Reiterate BUY.**

Consolidate quarterly performance (INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Sales Dispatches (mt)	4.6	4.5	4.7	5.2	4.8	4.3	5.0	5.8	19.07	20.01	4.6	(6)
YoY Change (%)	25.4	24.5	13.5	11.3	4.6	(4.6)	7.3	11.5	17.5	4.9	1.6	
Realization (INR/t)	5,968	6,068	6,238	5,974	5,801	5,918	5,946	5,730	6,060	5,842	5,821	2
YoY Change (%)	(2.9)	(1.1)	6.1	0.5	(2.8)	(2.5)	(4.7)	(4.1)	1.2	(3.6)	(4.1)	
QoQ Change (%)	0.4	1.7	2.8	(4.2)	(2.9)	2.0	0.5	(3.6)			0.5	
Net Sales	**27.6**	**27.5**	**29.3**	**31.1**	**28.1**	**25.6**	**30.0**	**33.2**	**115.6**	**116.9**	**26.8**	(5)
YoY Change (%)	21.7	23.1	20.5	11.8	1.6	(7.0)	2.3	7.0	18.9	1.2	(2.6)	
Total Expenditure	23.5	22.9	23.1	25.5	23.2	22.8	25.1	27.3	95.0	98.3	23.2	(2)
EBITDA	**4.1**	**4.7**	**6.3**	**5.6**	**4.9**	**2.8**	**4.9**	**6.0**	**20.6**	**18.6**	**3.6**	(22)
YoY Change (%)	1.0	48.8	152.7	60.2	19.2	-39.2	-21.1	6.6	56.7	-9.7	-22.4	
Margin (%)	14.8	17.0	21.3	18.0	17.3	11.1	16.4	18.0	17.8	15.9	13.5	(243)
Depreciation	1.3	1.4	1.4	1.5	1.5	1.5	1.5	1.4	5.7	5.8	1.5	(2)
Interest	1.1	1.2	1.1	1.1	1.1	1.2	1.2	1.3	4.5	4.8	1.2	3
Other Income	0.3	0.3	0.4	0.5	0.4	0.4	0.5	0.5	1.5	1.8	0.4	(10)
PBT before EO expense	**2.0**	**2.4**	**4.1**	**3.4**	**2.7**	**0.5**	**2.7**	**3.8**	**11.9**	**9.7**	**1.4**	(61)
Extra-Ord. expense	0.2	-	-	(0.1)	-	(1.0)	-	-	0.1	(1.0)	-	
PBT	**1.8**	**2.4**	**4.1**	**3.5**	**2.7**	**1.6**	**2.7**	**3.8**	**11.8**	**10.7**	**1.4**	14
Tax	0.7	0.7	1.3	1.3	0.9	0.2	0.9	1.5	3.9	3.5	0.5	
Profit from associate and MI	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.1	-	-	(0.0)	0.1	-	
Rate (%)	37.2	26.9	30.6	36.7	32.3	12.2	33.6	40.7	32.4	32.7	33.6	
Reported PAT	**1.1**	**1.8**	**2.8**	**2.2**	**1.9**	**1.3**	**1.8**	**2.2**	**8.0**	**7.1**	**0.9**	39
Adj. PAT	**1.2**	**1.8**	**2.8**	**2.1**	**1.9**	**0.4**	**1.8**	**2.2**	**8.0**	**6.2**	**0.9**	(60)
YoY Change (%)	(23.7)	59.8	628.0	90.3	49.3	(80.0)	(36.9)	4.6	87.9	(22.1)	(49.6)	
Margin (%)	4.5	6.5	9.7	6.9	6.6	1.4	6.0	6.7	6.9	5.3	3.4	

Source: Company, MOFSL estimates

Consolidated quarterly performance

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Gray Cement (mt)	4.1	3.9	4.2	4.7	4.3	3.8	4.4	5.2	16.9	17.8	4.0	(5)
Growth (%)	29.4	22.1	13.6	13.0	5.6	(3.3)	7.1	11.4	18.9	5.5	1.4	
As a percentage of total volume	88.7	86.7	88.2	89.9	89.5	87.9	88.1	89.9	88.4	88.9	86.5	
White Cement (mt)	0.5	0.6	0.6	0.5	0.5	0.5	0.6	0.6	2.2	2.2	0.6	(15)
Growth (%)	1.2	19.2	13.1	(1.9)	(3.6)	(13.1)	8.5	12.5	7.6	0.7	2.8	
As a percentage of total volume	11.3	13.3	11.8	10.1	10.5	12.1	11.9	10.1	11.6	11.1	13.5	
Per ton analysis (INR)												
Net realization	**5,968**	**6,068**	**6,238**	**5,974**	**5,801**	**5,918**	**5,946**	**5,730**	**6,060**	**5,842**	**5,821**	2
RM Cost	1,003	1,010	818	1,014	990	1,044	910	961	962	973	960	9
Employee Expenses	397	403	423	420	452	519	449	410	411	454	484	7
Power, Oil, and Fuel	1,493	1,396	1,383	1,184	1,177	1,139	1,250	1,083	1,358	1,160	1,230	(7)
Freight and handling	1,262	1,182	1,307	1,310	1,280	1,330	1,310	1,283	1,267	1,299	1,310	2
Other Expenses	932	1,048	979	970	898	1,229	1,050	963	981	1,027	1,050	17
Total Exp.	**5,087**	**5,039**	**4,909**	**4,897**	**4,797**	**5,261**	**4,969**	**4,701**	**4,980**	**4,913**	**5,034**	5
EBITDA	**881**	**1,029**	**1,329**	**1,077**	**1,005**	**656**	**977**	**1,029**	**1,080**	**930**	**787**	(17)

Source: Company, MOFSL estimates

CONFERENCE CALL

Highlights from the management commentary

Demand, pricing, and operational highlights

- The company's volume was impacted due to excessive rainfall and prolonged kiln shutdown at its South plant. While in Central India, the demand was resilient compared to the North and South regions.
- It has trimmed its gray cement volume growth guidance to 6-7% YoY (vs. earlier guidance of ~10%) for the entire FY25. Cement demand has improved in Oct'24 and despite a higher base, the company expects growth on a YoY basis in Oct'24.
- Gray cement realizations improved QoQ in 2QFY25, led by an improvement in the geographic and product mix and higher contribution from premium products. Further, gray cement prices in Oct'24 are marginally better vs. 2QFY25 avg. price. Incentive income stood at INR580m in 2QFY25 vs. ~INR 690m in 1QFY25.
- Green energy usage/thermal substitution rate stood at 49%/13% YTDFY25 vs. 51%/16.3% in FY24.
- Fuel consumption cost stood at INR1.65/kcal vs. INR1.94/INR1.62/kcal in 2QFY24/1QFY25. Fuel consumption cost increased QoQ due to inflation in the fuel cost of AFR. However, with the recent softening in crude oil prices, it plans to renegotiate the deal with AFR vendors and expects to save a total of INR100/t in 2HFY25.
- Blended cement sales stood at 70% vs. 67% in 1QFY25. Trade sales stood at 65% vs. 63% in Q1FY25. Premium product sales as a % of trade sales stood at 14% vs. 13% in 1QFY25. Lead distance was at 419km vs. 418km/415km YoY/QoQ.
- There was an incremental one-time expenditure of INR400-450m, which also included clinker purchases up to INR100-120m for its South region plant due to the prolonged shutdown. The shutdown was planned for a period of 45 days for modification of the kiln, which would help produce extra clinker. However, the shutdown period was extended to 70 days due to excessive rainfall in the area.
- It maintains its cost reduction targets of INR150-200/t over FY25/FY26. In FY25, it aims to realize ~INR60/t of the targeted cost savings in areas of: 1) logistics (~INR 40-50/t) and 2) higher usage of green power and AFR (~INR 10-20/t).
- Fuel mix for Q2FY25 stood at 75% of pet coke (68% in Q1FY25) and the balance 25% being a mix of imported coal, domestic coal, and AFR. The company expects material cost savings from its recently won coal blocks in Madhya Pradesh. The fuel cost of captive coal mine is ~INR 1.0/kcal vs. INR 1.5-1.6/kcal of imported pet coke or linkage coal.

Capacity expansion and Capex update

- 3.3mtpa gray clinker expansion at Panna (line II) and 3.0mtpa cement capacity expansion at Panna, Hamirpur, and Prayagraj are progressing according to the schedule. The order for main machinery and civil and mechanical contractors has been finalized. Capex stood at INR4.45b YTDFY25. It also completed the land acquisition for a split grinding unit in Bihar and placed an order for the main plant and machinery. Capex stood at INR330m YTDFY25. The projects are estimated to be commissioned by 3QFY26-end or in 4QFY26.
- Capex is pegged at INR18-19b for FY25 and INR18b for FY26. Overall capex stood at INR7.5b in 1HFY25.

- The company is pursuing a long-term limestone mining lease agreement with the Odisha state government for Toshali Cements. It is currently in discussion with a new state government for the same.

Other highlights

- Revenue for the paints business stood at INR530m vs. INR570m in 1QFY25. The company is on track to meet revenue guidance of INR 2.5-3b in FY25, INR4-4.5b in FY26, and ~INR6b in FY27. The segment reported EBITDA loss of ~INR 150m in Q2FY25 vs ~INR 100m in Q1FY25. For FY25, it estimates EBITDA loss of ~INR 400m.
- Putty volume growth of ~5% is expected in FY25 for the company vs. 8-9% for the industry. The dip in putty realizations is due to high competitive intensity. The company expects white cement margins to continue to remain under pressure. The market shares of different players in the putty business are: ~30% with Asian Paints, ~24% with Birla White, and ~22% for JK Cement's *Wallmaxx*.
- It has reiterated its capex commitment toward the paints business at INR6b (including branding expenditure).

Key exhibits

Exhibit 1: Total sales volumes (consol.) declined 5% YoY

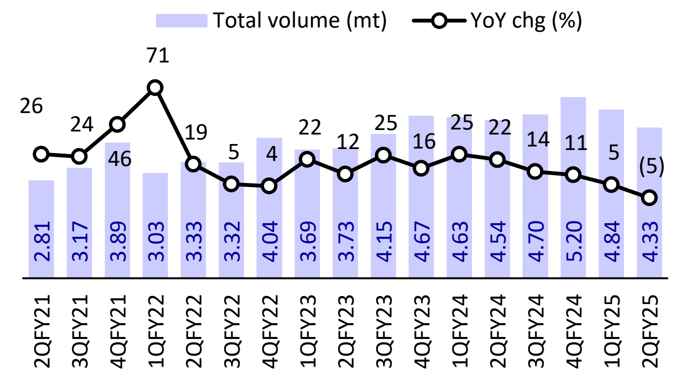


Exhibit 2: Gray cement realization declined 6% YoY

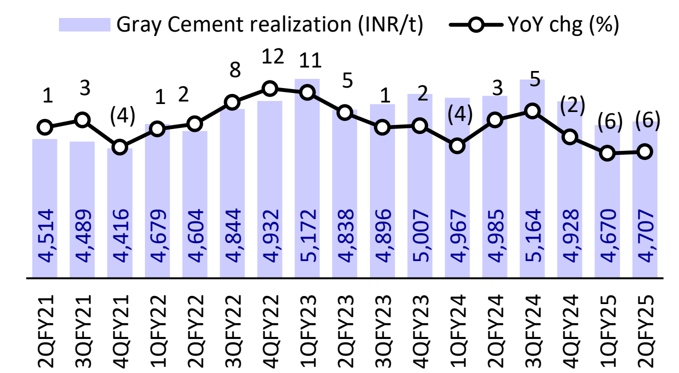


Exhibit 3: Opex/t increased 4% YoY

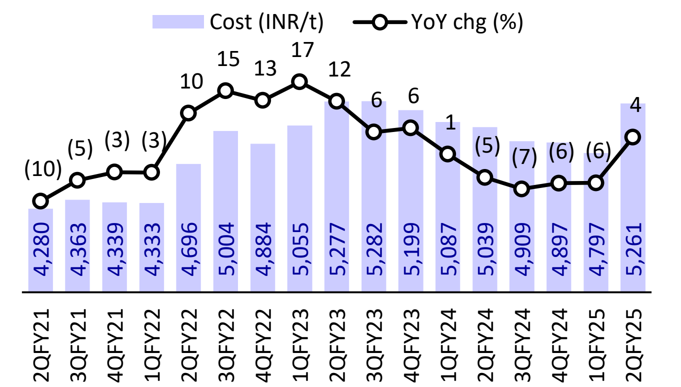


Exhibit 4: EBITDA/t declined 36%/35% YoY/QoQ

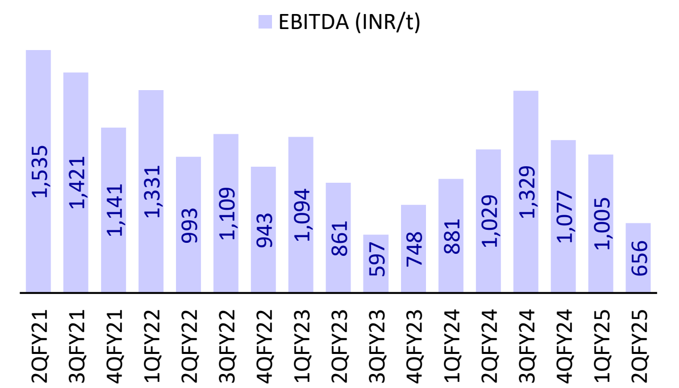
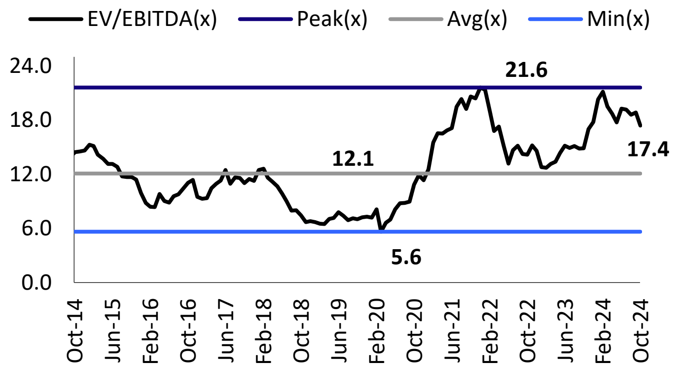


Exhibit 5: Key operating metrics – consolidated (blended)

INR/t	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ(%)
Blended realization	**5,918**	**6,068**	**(2)**	**5,801**	**2**
Gray Cement realization	4,707	4,985	(6)	4,670	1
White Cement realization	12,992	12,568	3	13,421	(3)
Raw Material Cost	1,044	1,010	3	990	5
Staff Cost	519	403	29	452	15
Power and fuel	1,139	1,396	(18)	1,177	(3)
Freight and selling Exp.	1,330	1,182	13	1,280	4
Other Exp.	1,229	1,048	17	898	37
Total Exp.	**5,261**	**5,039**	**4**	**4,797**	**10**
EBITDA	**656**	**1,029**	**(36)**	**1,005**	**(35)**

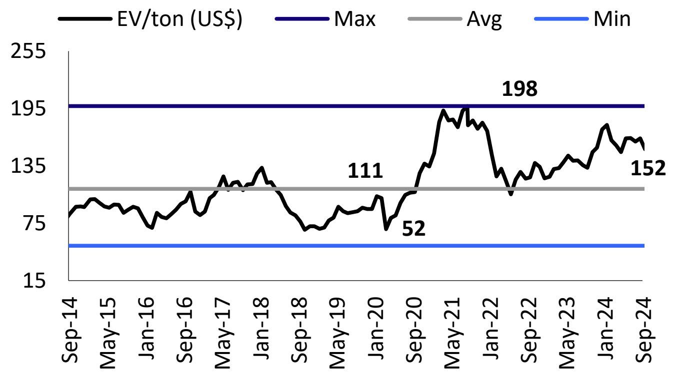
Source: Company, MOFSL

Exhibit 6: One-year forward EV/EBITDA trend



Source: Company, MOFSL

Exhibit 7: One-year forward EV/t trend



Source: Company, MOFSL

Consolidated financials and valuations

Income Statement								(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Net Sales	**58,016**	**66,061**	**79,908**	**97,202**	**1,15,560**	**1,16,913**	**1,31,066**	**1,47,642**
Change (%)	10.3	13.9	21.0	21.6	18.9	1.2	12.1	12.6
EBITDA	**12,134**	**15,387**	**14,824**	**13,143**	**20,598**	**18,603**	**24,805**	**29,908**
Margin (%)	20.9	23.3	18.6	13.5	17.8	15.9	18.9	20.3
Depreciation	2,880	3,062	3,425	4,582	5,726	5,841	7,026	7,184
EBIT	**9,255**	**12,325**	**11,399**	**8,561**	**14,872**	**12,762**	**17,779**	**22,724**
Int. and Finance Charges	2,764	2,528	2,697	3,122	4,531	4,805	5,007	4,962
Other Income – Rec.	853	1,130	1,429	874	1,451	1,768	1,798	1,954
PBT bef. EO Exp.	**7,344**	**10,927**	**10,131**	**6,313**	**11,791**	**9,726**	**14,570**	**19,715**
EO Expense/(Income)	0	0	0	0	55	-1,024	0	0
PBT after EO Exp.	**7,344**	**10,927**	**10,131**	**6,313**	**11,736**	**10,750**	**14,570**	**19,715**
Current Tax	1,593	3,296	2,429	1,424	1,487	3,514	4,763	6,445
Deferred Tax	917	600	908	698	2,350	0	0	0
Tax Rate (%)	34.2	35.7	32.9	33.6	32.7	32.7	32.7	32.7
Reported PAT	**4,834**	**7,031**	**6,794**	**4,191**	**7,899**	**7,235**	**9,807**	**13,270**
PAT adj. for EO items	**4,834**	**7,031**	**6,794**	**4,191**	**7,936**	**6,546**	**9,807**	**13,270**
Change (%)	83.4	45.5	-3.4	-38.3	89.4	-17.5	49.8	35.3
Margin (%)	8.3	10.6	8.5	4.3	6.9	5.6	7.5	9.0
Less: Minority Interest	-90.0	-66.2	-77.0	-72.5	-24.1	98.3	0.0	0.0
Net Profit	**4,924**	**7,317**	**6,871**	**4,263**	**8,013**	**6,238**	**9,807**	**13,270**

Balance Sheet								(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Equity Share Capital	773	773	773	773	773	773	773	773
Total Reserves	29,504	36,595	42,476	46,095	52,899	58,104	65,593	76,545
Net Worth	**30,277**	**37,367**	**43,249**	**46,868**	**53,671**	**58,877**	**66,366**	**77,317**
Deferred Liabilities	4,173	5,930	7,383	8,094	10,756	10,756	10,756	10,756
Minority Interest	-203	-257	-343	-444	-455	-357	-357	-357
Total Loans	32,840	34,017	38,549	49,951	52,385	54,385	56,885	53,385
Capital Employed	**67,086**	**77,057**	**88,838**	**1,04,469**	**1,16,358**	**1,23,661**	**1,33,650**	**1,41,102**
Gross Block	75,780	82,126	91,614	1,12,857	1,29,469	1,41,108	1,56,108	1,69,108
Less: Accum. Deprn.	20,235	22,752	26,177	30,759	36,486	42,326	49,352	56,536
Net Fixed Assets	**55,545**	**59,374**	**65,437**	**82,097**	**92,983**	**98,782**	**1,06,756**	**1,12,572**
Capital WIP	5,295	5,093	10,321	5,920	4,639	12,000	15,000	17,000
Total Investments	**458**	**1,422**	**2,157**	**923**	**3,683**	**3,683**	**3,683**	**3,683**
Curr. Assets, Loans, and Adv.	**24,122**	**32,831**	**36,115**	**41,552**	**46,716**	**40,780**	**40,918**	**42,134**
Inventory	6,904	7,566	12,087	9,821	11,816	10,736	11,945	13,365
Account Receivables	2,677	3,615	4,268	4,801	5,663	5,675	6,282	6,972
Cash and Bank Balance	9,649	16,416	10,793	15,874	8,665	4,098	2,819	2,326
Loans and Advances	4,892	5,233	8,967	11,056	20,572	20,272	19,872	19,472
Curr. Liability and Prov.	**18,334**	**21,663**	**25,192**	**26,024**	**31,663**	**31,584**	**32,706**	**34,287**
Account Payables	16,725	20,276	23,803	24,512	29,955	29,860	30,967	32,532
Provisions	1,609	1,388	1,389	1,511	1,709	1,725	1,739	1,755
Net Current Assets	**5,788**	**11,167**	**10,923**	**15,528**	**15,053**	**9,197**	**8,211**	**7,847**
Appl. of Funds	**67,086**	**77,057**	**88,838**	**1,04,469**	**1,16,358**	**1,23,661**	**1,33,650**	**1,41,102**

Source: Company, MOFSL estimates

Consolidated financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)*								
Consol. EPS	**62.6**	**91.0**	**87.9**	**54.2**	**102.7**	**84.7**	**126.9**	**171.7**
Cash EPS	99.8	130.6	132.3	113.5	176.8	160.3	217.8	264.7
BV/Share	391.8	483.6	559.7	606.6	694.6	762.0	858.9	1,000.6
DPS	17.5	15.0	15.0	15.0	20.0	25.0	30.0	30.0
Payout (%)	33.7	16.5	17.1	27.7	19.6	26.7	23.6	17.5
Valuation (x)*								
P/E	69.7	47.9	49.6	80.4	42.5	51.5	34.4	25.4
Cash P/E	43.7	33.4	33.0	38.4	24.7	27.2	20.0	16.5
P/BV	11.1	9.0	7.8	7.2	6.3	5.7	5.1	4.4
EV/Sales	6.1	5.3	4.4	3.7	3.2	3.2	2.9	2.5
EV/EBITDA	29.2	22.6	23.8	27.7	18.1	20.0	15.0	12.3
EV/t (USD)	264	244	242	186	178	164	135	133
Dividend Yield (%)	0.4	0.3	0.3	0.3	0.5	0.6	0.7	0.7
Return Ratios (%)								
RoIC	13.0	15.0	12.8	7.7	11.1	8.5	11.1	13.3
RoE	17.2	21.6	17.0	9.5	15.9	11.1	15.7	18.5
RoCE	11.4	12.9	11.2	7.0	10.8	8.9	11.1	13.1
Working Capital Ratios								
Asset Turnover (x)	0.9	0.9	0.9	0.9	1.0	0.9	1.0	1.0
Inventory (Days)	43.4	41.8	55.2	36.9	37.3	33.5	33.3	33.0
Debtor (Days)	17	20	19	18	18	18	17	17
Creditor (Days)	105	112	109	92	95	93	86	80
Working Capital Turnover (Days)	-24	-29	1	-1	20	16	15	14
Leverage Ratio (x)								
Current Ratio	1.3	1.5	1.4	1.6	1.5	1.3	1.3	1.2
Debt/Equity ratio	1.1	0.9	0.9	1.1	1.0	0.9	0.9	0.7

Cash Flow Statement (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	7,344	10,927	10,131	6,276	11,736	9,726	14,570	19,715
Depreciation	2,880	3,062	3,425	4,619	5,726	5,841	7,026	7,184
Interest and Finance Charges	1,975	1,666	2,697	3,019	4,435	4,805	5,007	4,962
Direct Taxes Paid	-1,530	-1,959	-2,429	-1,622	-1,542	-3,514	-4,763	-6,445
(Inc.)/Dec. in WC	2,819	1,715	-5,379	2,276	-6,732	1,288	-294	-129
CF from Operations	**13,488**	**15,411**	**8,445**	**14,568**	**13,624**	**18,145**	**21,545**	**25,287**
Others	179	490	(967)	(797)	5,967	1,024	-	-
CF from Operations incl. EO	**13,668**	**15,901**	**7,478**	**13,771**	**19,591**	**19,169**	**21,545**	**25,287**
(Inc.)/Dec. in FA	-12,428	-7,678	-14,716	-16,115	-11,726	-19,000	-18,000	-15,000
Free Cash Flow	**1,240**	**8,223**	**-7,238**	**-2,344**	**7,865**	**169**	**3,545**	**10,287**
(Pur.)/Sale of Investments	-2,622	-11,747	-734	-2,021	-5,634	0	0	0
Others	6,998	11,665	2,232	-2,012	1,002	0	0	0
CF from Investments	**-8,052**	**-7,760**	**-13,218**	**-20,148**	**-16,358**	**-19,000**	**-18,000**	**-15,000**
Issue of Shares	0	0	0	0	0	0	0	0
Inc./(Dec.) in Debt	3,133	1,120	4,532	11,560	1,431	2,000	2,500	-3,500
Interest Paid	-2,507	-2,427	-2,697	-2,841	-4,324	-4,805	-5,007	-4,962
Dividend Paid	-1,630	0	-1,159	-1,159	-1,158	-1,932	-2,318	-2,318
Others	-77	-68	-559	-147	-106	0	1	0
CF from Fin. Activity	**-1,081**	**-1,375**	**117**	**7,413**	**-4,157**	**-4,736**	**-4,824**	**-10,780**
Inc./Dec. in Cash	**4,534**	**6,767**	**-5,623**	**1,036**	**-924**	**-4,568**	**-1,279**	**-493**
Opening Balance	5,116	9,650	16,416	14,838	9,590	8,665	4,098	2,819
Closing Balance	**9,650**	**16,416**	**10,793**	**15,874**	**8,665**	**4,098**	**2,819**	**2,326**

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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