

Godrej Agrovet

Estimate change
TP change
Rating change


Bloomberg	GOAGRO IN
Equity Shares (m)	192
M.Cap.(INRb)/(USDb)	81.1 / 1
52-Week Range (INR)	565 / 391
1, 6, 12 Rel. Per (%)	-6/-13/-30
12M Avg Val (INR M)	59

Financials & Valuations (INR b)

Y/E MARCH	2023	2024E	2025E
Sales	93.7	99.2	106.4
EBITDA	5.2	5.9	7.0
Adj. PAT	2.5	2.9	3.7
EBITDA Margin (%)	5.6	5.9	6.6
Cons. Adj. EPS (INR)	13.0	15.1	19.4
EPS Gr. (%)	(39.9)	16.5	28.4
BV/Sh. (INR)	122	126	135
Ratios			
Net D:E	0.6	0.5	0.5
RoE (%)	10.8	12.2	14.9
RoCE (%)	7.6	8.7	10.3
Payout (%)	60.4	69.4	54.0
Valuations			
P/E (x)	32.5	27.9	21.7
EV/EBITDA (x)	18.7	16.6	13.9
Div. Yield (%)	2.3	2.5	2.5
FCF Yield (%)	8.0	2.8	2.9

Shareholding pattern (%)

	Mar-23	Dec-22	Mar-22
Promoter	74.1	74.1	71.6
DII	13.6	5.6	1.6
FII	1.6	9.7	2.4
Others	10.8	10.6	24.3

Note: FII includes depository receipts

CMP: INR422 TP: INR450 (+7%) Downgrade to Neutral

Margin erosion across all key segments

Sluggish outlook; downgrade to Neutral

- GOAGRO reported a weak operating performance (EBITDA down 56% YoY), driven by muted profitability across segments. Animal Feed (AF)/ Palm Oil/ Crop protection (CP) EBIT declined 26%/45%/84% YoY on account of high channel inventories, adverse climatic conditions, volatile commodity price movement, and pricing pressure. Dairy / Poultry business also recorded operating loss of INR83m/INR32m in 4QFY23.
- Factoring below-expected operating performance and weak outlook for its key segments, we cut our earnings estimate for FY24/FY25 by 23%/19%. We, therefore, **downgrade our rating to Neutral**.

Margin dampened by volatile cost scenario and lower realization

- Consolidated revenue grew 1% YoY to INR21b (est. INR22b) on the back of a decline in Crop protection business (down 31% YoY) and Palm Oil business (down 23% YoY). EBITDA margin contracted 450bp YoY to 3.6% (est. 3.8%). EBITDA stood at INR746m, down 56% YoY (est. INR828m). Adj. PAT declined 75% YoY to INR310m (est. INR117m).
- **Animal Feed business:** Revenue grew 10% YoY to INR12.2b, primarily led by cattle feed category (up 11% YoY). Total sales volume grew 5% YoY to 364KMT. EBIT/kg stood at INR1.2 (down 29% YoY/19% QoQ).
- **Palm Oil business:** Revenue declined 23% YoY to INR1.5b and EBIT margin contracted 500bp YoY to 12.5%. EBIT stood at INR183m (down 45% YoY). Strong volume growth was offset by lower crude oil prices (Crude Palm Oil/Palm Kernel Oil prices declined 28%/41% YoY).
- **Crop Protection business:** Consolidated revenue/EBIT declined 31%/84% YoY to INR2.4b/INR132m, led by a decline in Astec (down 53%/99% YoY to INR1.3b/INR2m). Consolidated EBIT margin contracted 1810bp YoY to 5.5% due to lower sales of Plant Growth Regulators (PGR) category and pricing pressure.
- **Dairy business** revenue grew 19% YoY to INR3.9b. It registered an operating loss of INR83m v/s an operating loss of INR29m in 4QFY22.
- **Poultry and processed food business** revenue grew 22% YoY to INR2.5b with an operating loss of INR32m v/s EBIT of INR118m in 4QFY22.
- For FY23, revenue grew 13% YoY to INR93.8b while EBITDA/Adj. PAT declined 21%/40% YoY to INR5.3b/INR2.5b. CFO stood at INR8.7b in FY23 v/s operating cash outflow of INR1.2b in FY22.

Highlights from the management commentary

- **Capex:** The company is in its initial phase of developing a multi-purpose plant with a capex of ~INR5b, which is likely to commercialize by Dec'24.
- **Business outlook:** The management expects steady margins for the palm oil business in the near term while for AF, margins are expected to increase sequentially in 1QFY24.
- **Astec:** To address the competition from Chinese manufacturers and to support growth, the company is focusing on expanding its product portfolio.

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- **Dairy business:** The segment is expected to break-even with a revenue of ~INR20b. The salience of VAP increased to ~32% in FY23 from 29% in FY22. The management expects VAP to grow ~25-30% in FY24.

Valuation and view

- Near-term outlook of GOAGRO is expected to witness hurdles across its key segments. The crop protection business is currently facing challenges, such as high channel inventory and pricing pressure, which is expected to sustain in the near term. Animal feed to continue its volume growth momentum with sustainable margins. Palm oil business is expected to remain strong; however margins are likely to remain subdued, due to lower palm oil prices
- Factoring below-expected operating performance and weak outlook for its key segments, we cut our earnings estimate for FY24/FY25 by 23%/19%. We, therefore, **downgrade our rating to Neutral** with an SoTP-based TP of INR450.

Consolidated - Quarterly Earnings Model

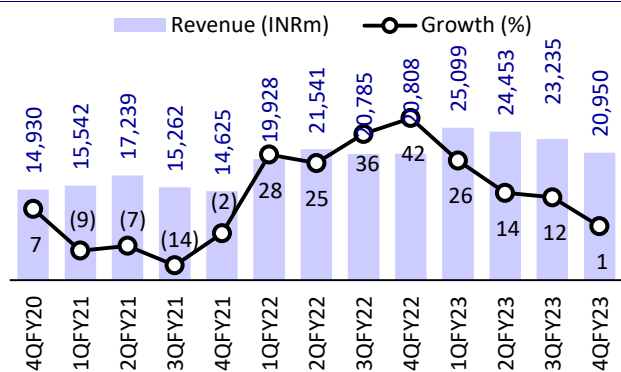
Y/E March	FY22				FY23				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY22	FY23	FY23E	Var (%)
Gross Sales	19,928	21,541	20,785	20,808	25,099	24,453	23,235	20,950	83,061	93,737	22,028	-5
YoY Change (%)	28.2	25.0	36.2	42.3	25.9	13.5	11.8	0.7	32.5	12.9	6.0	
Total Expenditure	18,232	19,636	19,423	19,115	23,483	22,950	21,872	20,204	76,407	88,509	21,199	
EBITDA	1,695	1,904	1,362	1,693	1,616	1,503	1,363	746	6,654	5,228	828	-10
Margins (%)	8.5	8.8	6.6	8.1	6.4	6.1	5.9	3.6	8.0	5.6	3.8	
Depreciation	408	424	445	457	449	461	469	476	1,733	1,855	480	
Interest	130	156	165	180	216	257	249	270	631	991	255	
Other Income	104	56	104	532	77	88	76	126	797	367	110	
PBT before EO expense	1,262	1,381	857	1,587	1,028	873	721	127	5,086	2,749	203	
Extra-Ord expense	0	0	173	0	0	0	-708	0	173	-708	0	
PBT	1,262	1,381	684	1,587	1,028	873	1,429	127	4,914	3,457	203	
Tax	327	376	175	346	279	219	334	-8	1,224	823	51	
Rate (%)	26.0	27.2	25.6	21.8	27.1	25.1	23.4	-6.6	24.9	23.8	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	-126	-87	-142	18	-77	-64	-69	-175	-337	-385	36	
Reported PAT	1,060	1,093	651	1,223	827	718	1,164	310	4,026	3,019	117	
Adj PAT	1,060	1,093	778	1,223	827	718	640	310	4,199	2,495	117	166
YoY Change (%)	19.7	2.1	26.4	116.1	-22.0	-34.3	-17.8	-74.6	33.8	-40.6	-85.0	
Margins (%)	5.3	5.1	3.7	5.9	3.3	2.9	2.8	1.5	5.1	2.7	0.5	

Key Performance Indicators

Y/E March	FY22				FY23				FY22	FY23
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Segment Revenue Gr. (%)										
Animal Feed (AF)	33.9	48.8	41.7	38.2	24.4	7.6	14.6	10.2	40.6	13.9
Palm Oil	83.5	36.9	105.2	163.8	33.3	0.8	-5.9	-22.8	78.1	2.7
Crop Protection	15.1	-22.9	-1.0	32.8	-0.3	44.3	-1.4	-31.4	5.0	(0.1)
Dairy	12.7	9.7	12.1	20.2	47.6	27.0	20.9	18.5	13.8	27.8
Segment EBIT Margin (%)										
Animal Feed	6.4	5.1	4.7	5.4	2.0	4.0	4.5	3.7	5.4	3.6
Palm Oil	11.3	19.5	25.2	17.5	22.3	16.2	21.9	12.5	19.0	19.2
Crop Protection	22.4	20.3	7.1	23.6	12.2	15.9	4.0	5.5	19.5	10.5
Dairy	-3.9	-1.2	-2.7	-0.9	-2.6	-3.3	-3.9	-2.1	(2.1)	(2.9)
AF Volumes (000'MT)	317	338	359	347	353	357	384	364	863	900
AF Realization (INR/kg)	31.6	33.6	30.9	31.8	35.3	34.2	33.2	33.5	32.0	34.0
Cost Break-up										
RM Cost (% of sales)	75.8	75.5	76.5	75.7	79.2	78.1	77.8	80.3	75.9	78.8
Staff Cost (% of sales)	5.1	4.9	5.2	6.0	4.8	4.8	5.3	4.4	5.3	4.8
Other Cost (% of sales)	10.5	10.8	11.7	10.2	9.6	10.9	11.0	11.8	10.8	10.8
Gross Margins (%)	24.2	24.5	23.5	24.3	20.8	21.9	22.2	19.7	24.1	21.2
EBITDA Margins (%)	8.5	8.8	6.6	8.1	6.4	6.1	5.9	3.6	8.0	5.6
EBIT Margins (%)	6.5	6.9	4.4	5.9	4.7	4.3	3.8	1.3	5.9	3.6

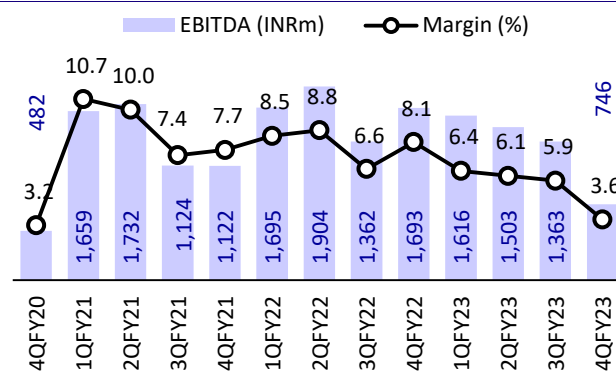
Key exhibits

Exhibit 1: Consolidated revenue trend



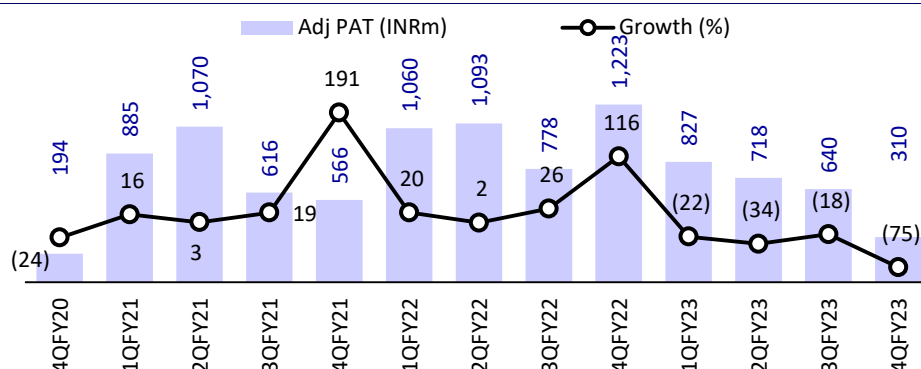
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



Source: Company, MOFSL

Exhibit 4: Animal Feed business

Particulars	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Volume (MT)	2,90,683	3,16,838	3,37,609	3,58,813	3,47,430	3,52,893	3,56,933	3,83,712	3,63,914
Growth (%)	-1.2	18.3	20.6	22.7	19.5	11.4	5.7	6.9	4.7
Revenue (INR m)	7,995	10,013	11,341	11,099	11,049	12,459	12,203	12,724	12,180
Growth (%)	-9.3	33.9	48.8	41.7	38.2	24.4	7.6	14.6	10.2
EBIT (INR m)	568.4	637.3	576.4	516.1	601.8	244.9	492.8	578.2	445
Margin (%)	7.1	6.4	5.1	4.7	5.4	2.0	4.0	4.5	3.7
Growth (%)	71.0	32.5	21.0	35.1	5.9	-61.6	-14.5	12.0	-26.1

Source: Company, MOFSL

Exhibit 5: Consolidated Crop Protection

Particulars	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Revenue (INR m)	2,656	3,692	2,566	2,187	3,528	3,681	3,704	2,157	2,421
Growth (%)	6.2	15.1	-22.9	-1.0	32.8	-0.3	44.3	-1.4	-31.4
EBIT (INR m)	539	829	521	155	834	448	589	86	132
Margin (%)	20.3	22.4	20.3	7.1	23.6	12.2	15.9	4.0	5.5
Growth (%)	11.6	-1.9	-30.0	-56.5	54.7	-46.0	12.9	-44.5	-84.1

Source: Company, MOFSL

Exhibit 6: Standalone Crop Protection

Particulars	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Revenue (INR m)	935	2,405	1,540	453	1,051	1,981	1,704	992	1,280
Growth (%)	39.6	15.5	-12.6	-56.2	12.4	-17.6	10.6	119.0	21.8
EBIT (INR m)	207	640	376	-213	212	261	310	34	140
Margin (%)	22.1	26.6	24.4	-47.0	20.2	13.2	18.2	3.4	10.9
Growth (%)	250.8	6.0	-24.0	-193.4	2.4	-59.2	-17.6	-116.0	-34.0

Source: Company, MOFSL

Exhibit 7: Astec Lifesciences

Particulars	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Revenue (INR m)	1,719	1,287	1,026	1,734	2,477	1,700	2,000	1,165	1,141
Growth (%)	-4.6	15.0	-33.8	49.5	44.1	32.1	94.9	-32.8	-53.9
EBITDA (INR m)	397	255	220	448	723	282	373	159	80
Margin (%)	23.1	19.8	21.4	25.8	29.2	16.6	18.7	13.7	7.0
Growth (%)	-17.1	-13.6	-29.9	137.0	82.1	10.6	69.5	-64.5	-88.9

Source: Company, MOFSL

Exhibit 8: Palm Oil business

Particulars	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Revenue (INR m)	717	2,888	4,014	3,853	1,892	3,852	4,047	3,625	1,461
Growth (%)	7.9	83.5	36.9	105.2	163.8	33.3	0.8	-5.9	-22.8
EBIT (INR m)	53	326	781	971	330	858	656	794	183
Margin (%)	7.4	11.3	19.5	25.2	17.5	22.3	16.2	21.9	12.5
Growth (%)	23.3	403.6	88.5	218.0	523.2	163.3	-16.0	-18.2	-44.5

Source: Company, MOFSL

Exhibit 9: Dairy business

Particulars	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Revenue (INR m)	2,801	2,665	2,841	2,877	3,367	3,934	3,608	3,478	3,991
Growth (%)	-0.3	12.7	9.7	12.1	20.2	47.6	27.0	20.9	18.5
EBITDA (INR m)	35	-31	-31	-30	46	46	46	46	47
Margin (%)	1.2	-1.2	-1.1	-1.0	1.4	1.2	1.3	1.3	1.2
Growth (%)	66.7	-130.1	-127.7	-121.7	31.4	-248.4	-248.4	-253.3	2.2
EBIT (INR m)	-36.2	-104.8	-34.8	-76.9	-29.2	-101.4	-117.9	-136.3	-82.9
Margin (%)	-1.3	-3.9	-1.2	-2.7	-0.9	-2.6	-3.3	-3.9	-2.1

Source: Company, MOFSL

Exhibit 10: Poultry and Processes Foods

Particulars	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Revenue (INR m)	1,387	1,776	2,009	2,033	2,023	2,482	2,284	2,805	2,461
Growth (%)	21.8	7.3	40.4	31.0	45.8	39.8	13.7	38.0	21.7
EBIT (INR m)	-37	-47	58	-77	118	164	-103	132	-32
Margin (%)	-2.6	-2.6	2.9	-3.8	5.8	6.6	-4.5	4.7	-1.3
Growth (%)	NA	NA	25.7	NA	NA	NA	NA	NA	NA

Source: Company, MOFSL

**Highlights from the management commentary****Palm Oil Business**

- The segment witnessed strong volume growth; however, both the topline and profitability were adversely impacted by a sharp decline in crude palm oil prices.
- Average prices of crude palm oil (CPO) /palm kernel oil (PKO) declined 28%/41% YoY to INR85,427/INR1,11,647 per MT.
- The segment witnessed revenue as well as operating profitability growth for full year FY23 on account of consistent volumes and improved operational efficiencies.
- Pass through of prices was the major concern in the segment.
- The management is expecting steady margins from the segment going ahead.

Animal Feed (AF)

- GOAGRO witnessed volume growth of 5%/10% YoY to ~364K/1458K tons in 4QFY23/FY23. The growth was primarily led by the Cattle feed category (up 11%/13% YoY in 4QFY23/FY23) on account of market share gains.
- The segmental margin was adversely impacted by volatile commodity price movements and limited transmission, on account of pricing pressure in the poultry feed.
- The government interventions led to a decline in prices of raw materials in Q1. Accordingly, the profitability for the full year FY23 was significantly impacted as the high cost inventory had to be consumed. However, margin profile has improved sequentially.
- The management expects the poultry feed segment to be under pressure for the next couple of months; the Fish feed segment will take some time to establish.
- 'Samruddhi', a product developed by the company through long R&D process, now accounts for ~30% of the cattle feed volumes. Accordingly, the management is focusing on the newer R&D projects to add new products to the portfolio.
- The segment can easily deliver ~7-8% CAGR in terms of volumes going ahead.
- The management is expecting margins in the segment to increase sequentially in 1QFY24.

Crop Protection

- Revenue grew on account of higher sales of Gracia and in-house herbicides portfolio and lower returns as compared to 4QFY22.
- However, the profitability was adversely impacted, due to the lower sales of Plant Growth Regulators (PGR) category and pricing pressure.
- The segment witnessed improvement in the working capital cycle and collections in FY23 on the back of concentrated efforts in maintaining credit hygiene.
- The company recovered ~INR10b and generated good cash flow from the segment.

Astec Lifesciences:

- Revenue was severely impacted by sluggish demand for key enterprise products and sharp drop in realizations.
- Inventory pile up in the channel and erratic weather conditions led to tepid demand during the quarter.
- Further, the company has witnessed a significant drop in prices of some of the key products over the past few months, ranging from ~40-60%.
- The company has faced various challenges in the last two quarters; however, the management is confident that the enterprise business will bounce back once the demand picks up.
- The management believes that expanding the product portfolio is crucial for the company's growth and in tackling the competition from China. The company is actively working on expanding its product range.
- The CDMO business of the company, which will collaborated with innovators globally, is expected to be the key driver for the segment. The CMO business grew ~1.9x YoY in line with the company's expectation.

- High cost inventory led to EBITDA margin contraction during the year,
- Astec inaugurated a new state-of-the-art Research & Development center in Apr'23

Dairy business:

- The dairy business achieved a revenue of over INR15b. The management expects the business to breakeven with a revenue of ~INR20b.
- The management is expecting high growth in the segment and accordingly expects the business to breakeven soon.
- The segment witnessed robust volume growth in value-added products (up 30%/37% YoY in 4QFY23/FY23)
- VAP salience increased to 32% of revenue in FY23 from 29% in FY22.
- The management expects the value-added segment to grow further by ~25-30% in FY24.
- However, the profitability was adversely impacted due to only partial pass-through of rising milk procurement costs.
- The company has made structural changes to shift from commodity to brand in the segment.
- It has invested significantly in the plants for the segment and expects more investment once the segment breaks even.

Godrej Tyson Foods (GTFL):

- Revenue from the segment grew 22% YoY to INR2.5b, on the back of strong volume growth in branded business (especially Real Good chicken).
- However, margins were adversely impacted due to considerably lower live bird prices.
- In FY23, branded categories, Real Good Chicken (RGC) and Yummiez achieved volume growth of 53% and 34% YoY, respectively.
- Profitability improved for the full year FY23, on the back of consistent growth in RGC margins.

Capex

- The company is in the process of formulating capex plans for FY24 and FY25.
- The company is in its initial phase of developing a multi-purpose plant with a capex of ~INR5b. This plant is likely to commercialize by Dec'24.

Valuation and view

- Near-term outlook of GOAGRO is expected to witness hurdles across its key segments. The crop protection business is currently facing challenges, such as high channel inventory and pricing pressure, which is expected to sustain in the near term. Animal feed to continue its volume growth momentum with sustainable margins. Palm oil business is expected to remain strong; however, margins are likely to remain subdued, due to lower palm oil prices.
- Factoring below-expected operating performance and weak outlook for its key segments, we cut our earnings estimate for FY24/FY25 by 23%/19%. We, therefore, **downgrade our rating to Neutral** with SoTP-based TP of INR450.

Exhibit 11: Valuations

Particulars	FY25 EBITDA (INRm)	EV/ EBITDA (x)	EV (INRm)	Net Debt (INRm)	Equity Value (INRm)	GOAGRO's share (%)	Value (INRm)	Value/ share (INR)	% Share
Standalone									
Crop Protection	1,325	11	14,308		14,308	100%	14,308	75	17%
Palm Oil	2,487	11	26,856		26,856	100%	26,856	140	31%
Animal Feed	3,263	11	35,563		35,563	100%	35,563	185	41%
Unallocated expenses	-1,277	10	-12,772		-12,772	100%	-12,772	-67	-15%
Total	5,797	11	63,955	12,227	51,729	100%	51,729	269	60%
Subsidiaries									
Astec (mcap with 20% holdco disc)					22,484	57%	12,917	67	15%
Creamline Dairy	58	12	696	-196	892	52%	463	2	1%
Godrej Tyson Foods Limited & Others	772	15	11,582		11,582	51%	5,907	31	7%
JV/ Associate									
ACI Godrej Agrovet Private Limited	2,059	15	30,878		30,878	50%	15,439	80	18%
Total	8,686	12	1,07,111		1,17,564			450	100%

Source: MOFSL

Exhibit 12: Revisions to our estimates

Earnings Change (INR m)	Old		New		Change	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	1,00,545	1,07,441	99,158	1,06,432	-1%	-1%
EBITDA	7,597	8,700	5,876	7,036	-23%	-19%
Adj. PAT	3,853	4,631	2,907	3,732	-25%	-19%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement

	(INR m)								
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Total Income from Operations	49,264	52,059	59,177	68,294	62,667	83,061	93,737	99,158	1,06,432
Change (%)	31.2	5.7	13.7	15.4	-8.2	32.5	12.9	5.8	7.3
Raw Materials	37,905	39,536	45,736	53,194	46,078	63,048	73,891	77,343	82,485
Employees Cost	2,328	2,763	2,944	3,541	3,764	4,393	4,534	4,958	5,322
Other Expenses	4,651	5,329	5,939	7,454	7,187	8,966	10,084	10,981	11,589
Total Expenditure	44,884	47,629	54,619	64,189	57,029	76,407	88,509	93,282	99,396
% of Sales	91.1	91.5	92.3	94.0	91.0	92.0	94.4	94.1	93.4
EBITDA	4,380	4,430	4,558	4,104	5,638	6,654	5,228	5,876	7,036
Margin (%)	8.9	8.5	7.7	6.0	9.0	8.0	5.6	5.9	6.6
Depreciation	747	859	982	1,481	1,540	1,733	1,855	1,989	2,173
EBIT	3,633	3,571	3,577	2,624	4,098	4,921	3,373	3,887	4,863
Int. and Finance Charges	863	453	339	416	465	631	991	965	925
Other Income	590	318	531	468	396	797	367	397	426
PBT bef. EO Exp.	3,360	3,436	3,769	2,675	4,029	5,086	2,749	3,319	4,364
EO Items	200	121	883	682	0	-173	708	0	0
PBT after EO Exp.	3,560	3,557	4,652	3,357	4,029	4,914	3,457	3,319	4,364
Total Tax	1,018	1,207	1,280	481	1,055	1,224	823	835	1,098
Tax Rate (%)	28.6	33.9	27.5	14.3	26.20	24.91	23.81	25.2	25.2
Profit from Associate & MI	55	57	82	-185	-164	-337	-385	-424	-466
Reported PAT	2,487	2,292	3,290	3,062	3,137	4,026	3,019	2,907	3,732
Adjusted PAT	2,287	2,172	2,407	2,510	3,137	4,154	2,495	2,907	3,732
Change (%)	35.1	-5.1	10.9	4.3	25.0	32.4	-39.9	16.5	28.4
Margin (%)	4.6	4.2	4.1	3.7	5.0	5.0	2.7	2.9	3.5

Consolidated - Balance Sheet

	(INR m)								
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	1,851	1,920	1,920	1,920	1,921	1,921	1,922	1,922	1,922
Total Reserves	8,237	12,193	14,570	16,461	18,590	20,763	21,454	22,345	24,060
Net Worth	10,088	14,114	16,490	18,381	20,511	22,684	23,375	24,266	25,982
Minority Interest	2,541	2,693	4,010	3,825	4,103	4,203	4,061	3,989	3,909
Total Loans	6,641	4,098	3,950	6,185	9,428	15,660	13,215	13,215	13,215
Deferred Tax Liabilities	1,663	1,730	2,086	1,751	1,713	1,559	1,798	1,798	1,798
Capital Employed	20,933	22,635	26,536	30,142	35,755	44,105	42,449	43,268	44,904
Gross Block	14,109	15,185	21,246	23,812	26,551	29,372	30,520	33,656	36,433
Less: Accum. Deprn.	1,329	2,214	3,196	4,677	6,217	7,950	9,805	11,794	13,967
Net Fixed Assets	12,779	12,971	18,050	19,136	20,334	21,422	20,715	21,861	22,466
Goodwill on Consolidation	1,949	1,949	2,649	2,649	2,649	2,649	2,649	2,649	2,649
Capital WIP	504	1,904	936	1,532	1,414	902	2,044	1,909	1,632
Total Investments	1,755	1,952	1,165	1,292	1,237	1,597	1,584	1,584	1,584
Curr. Assets, Loans&Adv.	15,157	16,749	19,542	22,392	22,355	29,271	27,867	29,377	31,661
Inventory	7,381	7,629	9,517	9,436	10,419	14,288	13,441	14,056	14,978
Account Receivables	5,219	6,315	7,349	8,539	8,226	9,514	5,740	5,977	6,415
Cash and Bank Balance	538	299	299	508	509	347	295	420	690
Loans and Advances	2,019	2,507	2,378	3,910	3,200	5,123	8,390	8,924	9,579
Curr. Liability & Prov.	11,212	12,890	15,807	16,859	12,235	11,735	12,411	14,112	15,088
Account Payables	8,408	9,550	12,394	12,885	7,326	6,948	7,043	7,667	8,170
Other Current Liabilities	2,496	2,955	2,934	3,467	4,206	3,384	4,459	4,958	5,322
Provisions	308	385	478	507	703	1,403	909	1,487	1,596
Net Current Assets	3,946	3,859	3,736	5,533	10,120	17,536	15,456	15,265	16,574
Appl. of Funds	20,933	22,635	26,536	30,142	35,755	44,105	42,449	43,268	44,904

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)									
EPS	11.9	11.3	12.5	13.1	16.3	21.6	13.0	15.1	19.4
Cash EPS	15.8	15.8	17.6	20.8	24.4	30.7	22.7	25.5	30.7
BV/Share	52.5	73.5	85.9	95.7	106.8	118.1	121.7	126.4	135.3
DPS	4.5	4.5	4.5	5.5	8.0	9.5	9.5	10.5	10.5
Payout (%)	41.9	45.6	31.6	41.5	49.0	45.3	60.4	69.4	54.0
Valuation (x)									
P/E	35.4	37.3	33.7	32.3	25.8	19.5	32.5	27.9	21.7
Cash P/E	26.7	26.7	23.9	20.3	17.3	13.8	18.6	16.5	13.7
P/BV	8.0	5.7	4.9	4.4	4.0	3.6	3.5	3.3	3.1
EV/Sales	1.8	1.7	1.5	1.3	1.5	1.2	1.0	1.0	0.9
EV/EBITDA	20.5	19.8	19.5	22.1	16.7	15.1	18.7	16.6	13.9
Dividend Yield (%)	1.1	1.1	1.1	1.3	1.9	2.3	2.3	2.5	2.5
FCF per share	36.6	5.7	9.0	-1.2	-13.1	-20.2	33.6	11.9	12.1
Return Ratios (%)									
RoE	25.5	17.9	15.7	14.4	16.1	19.2	10.8	12.2	14.9
RoCE	15.7	14.7	15.4	11.8	12.2	12.6	7.6	8.7	10.3
RoIC	12.9	12.9	12.2	8.8	10.2	10.0	6.4	7.5	9.1
Working Capital Ratios									
Fixed Asset Turnover (x)	3.5	3.4	2.8	2.9	2.4	2.8	3.1	2.9	2.9
Asset Turnover (x)	2.4	2.3	2.2	2.3	1.8	1.9	2.2	2.3	2.4
Inventory (Days)	55	53	59	50	61	63	52	52	51
Debtor (Days)	39	44	45	46	48	42	22	22	22
Creditor (Days)	62	67	76	69	43	31	27	28	28
Leverage Ratio (x)									
Current Ratio	1.4	1.3	1.2	1.3	1.8	2.5	2.2	2.1	2.1
Interest Cover Ratio	4.2	7.9	10.6	6.3	8.8	7.8	3.4	4.0	5.3
Net Debt/Equity	0.6	0.3	0.2	0.3	0.4	0.7	0.6	0.5	0.5

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	3,727	3,717	4,773	3,486	4,531	5,416	2,749	3,319	4,364
Depreciation	747	859	982	1,481	1,540	1,733	1,855	1,989	2,173
Interest & Finance Charges	715	453	339	416	465	631	624	568	499
Direct Taxes Paid	-800	-837	-1,097	-969	-1,123	-1,533	-823	-835	-1,098
(Inc)/Dec in WC	5,145	-471	633	-2,204	-5,413	-7,085	4,335	244	-1,118
CF from Operations	9,534	3,721	5,629	2,210	0	-838	8,740	5,285	4,819
Others	-561	-183	-1,152	188	-104	-362	0	0	0
CF from Operating incl EO	8,973	3,538	4,477	2,398	-104	-1,201	8,740	5,285	4,819
(Inc)/Dec in FA	-1,949	-2,448	-2,759	-2,634	-2,406	-2,680	-2,290	-3,000	-2,500
Free Cash Flow	7,024	1,091	1,719	-236	-2,510	-3,880	6,449	2,285	2,319
(Pur)/Sale of Investments	610	-131	0	0	-9	-166	12	0	0
Others	366	51	386	82	627	765	-564	748	813
CF from Investments	-974	-2,528	-2,372	-2,552	-1,787	-2,081	-2,842	-2,252	-1,687
Issue of Shares	8	2	0	0	0	0	1	0	0
Inc/(Dec) in Debt	-7,027	-2,571	-680	2,311	3,579	5,778	-2,445	0	0
Interest Paid	-861	-455	-354	-390	-430	-602	-991	-965	-925
Dividend Paid	0	-1,045	-1,076	-1,076	-1,122	-1,591	-1,824	-2,016	-2,016
Others	0	2,818	4	-481	-136	-478	-689	72	79
CF from Fin. Activity	-7,881	-1,250	-2,105	364	1,891	3,108	-5,949	-2,909	-2,862
Inc/Dec of Cash	119	-240	0	210	-1	-173	-51	124	270
Opening Balance	419	538	299	299	510	509	347	296	420
Closing Balance	538	299	299	508	509	347	296	420	690

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NOTES

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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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