

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	JKCE IN
Equity Shares (m)	77
M.Cap.(INRb)/(USD\$)	245.4 / 3
52-Week Range (INR)	3289 / 2005
1, 6, 12 Rel. Per (%)	3/4/19
12M Avg Val (INR M)	374

## Financial Snapshot (INR b)

Y/E MARCH	2023	2024E	2025E
Sales	97.2	104.9	115.4
EBITDA	13.1	18.6	21.6
Adj. PAT	4.6	6.9	8.5
EBITDA Margin (%)	13.5	17.7	18.8
Adj. EPS (INR)	60.2	89.1	109.7
EPS Gr. (%)	(32.3)	48.1	23.2
BV/Sh. (INR)	607	676	760

## Ratios

Net D:E	0.7	0.7	0.5
RoE (%)	10.3	13.9	15.3
RoCE (%)	7.5	9.5	10.4
Payout (%)	27.7	22.5	22.8

## Valuations

P/E (x)	52.8	35.7	29.0
P/BV (x)	5.2	4.7	4.2
EV/EBITDA(x)	20.7	14.7	12.5
EV/ton (USD)	154	133	122
Div. Yield (%)	0.5	0.6	0.8
FCF Yield (%)	(1.6)	1.7	4.4

## Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	45.8	45.8	45.8
DII	22.5	21.9	20.7
FII	15.5	15.9	16.5
Others	16.2	16.4	17.1

FII Includes depository receipts

**CMP: INR3,177** **TP: INR3,675 (+16%)** **Buy**

## New plant ramp-up commendable; outlook improving

### Expects volume growth of ~15% in FY24 aided by capacity expansion

- JKCE's 4QFY23 operating performance was in line with our estimates as higher-than-estimated realization/t offset higher costs. Consolidated EBITDA came in at INR3.5b (est. INR3.4b), while EBITDA/t stood at INR748 (est. INR753). Adj. PAT came in at INR1.2b (est. INR1.4b).
- The ramp-up of the Central India plant expansion was impressive as it achieved utilization of 60%/80% in 4QFY23/Mar'23 and generated EBITDA in the first full quarter of operations. It targets grey cement volume growth of ~15% YoY in FY24 and EBITDA/t of INR1,000+ in 2HFY24.
- We maintain our FY24/FY25 estimates. We prefer JKCE for its consistent expansion plans. We maintain BUY with a revised TP of INR3,675, valued at 14x FY25E EV/EBITDA (v/s Sep'24E EV/EBITDA earlier).

### Volumes up 16% YoY, OPM down 3.6pp YoY on expected line

- JKCE's consolidated revenue/EBITDA/adj. PAT stood at INR28b/INR3.5b /INR1.2b (+18%/-8%/-38% YoY and +7%/+3%/-10% v/s our estimate). Sales volume was up 16% YoY at 4.7mt. Sales volume of grey cement/white cement was up 17%/7% YoY in 4QFY23.
- Opex/t was up 6% YoY, led by a 21%/5% increase in variable/freight costs. Employee cost/t was down 7% YoY and other expenses/t declined 5% YoY, benefitting from higher volumes. Higher variable costs led to a 3.6pp YoY fall in OPM to 12.6% (est. 13%). EBITDA/t declined 21% YoY.
- In FY23, JKCE's consolidated revenue grew 22% YoY, led by 17%/5% growth in sales volume/realization. However, EBITDA declined 11% YoY to INR13b due to cost pressures (opex/t up 11% YoY). OPM contracted 5pp YoY to 13.5% and EBITDA/t declined 24% YoY to INR820. Adjusted profit (after MI) was down 32% YoY at INR4.7b.

## Highlights from the management commentary

- Industry growth is expected at ~10% YoY in 1QFY24; however, JKCE expects higher volume growth, supported by capacity addition.
- Cement prices in most markets are flat or down marginally v/s Mar'23-exit. However, prices are expected to increase after the monsoon season.
- Petcoke (landed cost) is expected to decline from INR2.3-2.4/Kcal to INR2.1/Kcal in Jun'23 and further to 1.8-1.9/Kcal. Fuel shipments booked at USD120-125/t will come in 2QFY24 and will be consumed in 3Q.

## View and valuation

- JKCE is set to increase grey cement capacity to ~25mtpa by FY25. We believe profitability should improve, driven by cost efficiency measures, improvement in geo-mix and stabilization of the Panna plant.
- JKCE currently trades at 14.7x/12.5x FY24E/FY25E EV/EBITDA. We value JKCE at 14x FY25E EV/EBITDA (earlier at Sep'24E EV/EBITDA), considering its growth plans (one of the best among mid-sized companies) and cost saving strategies. We maintain BUY with a revised TP of INR3,675.

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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.

## Consolidate quarterly performance

(INR m)

Y/E March	FY22				FY23				FY22	FY23	FY23	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Sales Dispatches (mt)	3.0	3.3	3.3	4.0	3.6	3.6	4.1	4.7	13.95	16.23	4.50	4
YoY Change (%)	71.4	18.5	4.8	3.6	17.7	9.4	24.8	15.8	19.8	16.4	14.5	
Realization (INR/t)	5,664	5,689	6,113	5,827	6,374	6,138	5,879	5,947	5,729	5,988	5,788	3
YoY Change (%)	(0.5)	(2.2)	5.7	6.3	12.5	7.9	(3.8)	2.1	5.4	4.5	(3.2)	
QoQ Change (%)	3.4	0.4	7.4	(4.7)	9.4	(3.7)	(4.2)	1.2			(6.5)	
<b>Net Sales</b>	<b>17.1</b>	<b>19.0</b>	<b>20.3</b>	<b>23.5</b>	<b>22.7</b>	<b>22.4</b>	<b>24.4</b>	<b>27.8</b>	<b>79.9</b>	<b>97.2</b>	<b>26.1</b>	7
YoY Change (%)	70.6	15.9	10.8	10.2	32.4	18.0	20.0	18.1	26.3	21.6	10.9	
Total Expenditure	13.1	15.6	16.6	19.7	18.7	19.2	21.9	24.3	65.1	84.1	22.7	7
<b>EBITDA</b>	<b>4.0</b>	<b>3.3</b>	<b>3.7</b>	<b>3.8</b>	<b>4.0</b>	<b>3.1</b>	<b>2.5</b>	<b>3.5</b>	<b>14.8</b>	<b>13.1</b>	<b>3.4</b>	3
Margin (%)	23.5	17.4	18.1	16.2	17.8	14.0	10.2	12.6	18.5	13.5	13.0	(43)
Depreciation	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.1	3.4	4.0	1.1	7
Interest	0.6	0.6	0.7	0.7	0.7	0.7	0.8	1.0	2.7	3.1	0.8	25
Other Income	0.3	0.5	0.3	0.4	0.2	0.1	0.2	0.4	1.4	0.9	0.5	(29)
<b>PBT before EO expense</b>	<b>2.9</b>	<b>2.3</b>	<b>2.4</b>	<b>2.6</b>	<b>2.7</b>	<b>1.7</b>	<b>0.8</b>	<b>1.7</b>	<b>10.1</b>	<b>6.9</b>	<b>2.0</b>	(16)
Extra-Ord. expense	-	-	-	-	0.2	0.2	0.1	0.1	-	0.6	-	
<b>PBT</b>	<b>2.9</b>	<b>2.3</b>	<b>2.4</b>	<b>2.6</b>	<b>2.5</b>	<b>1.5</b>	<b>0.7</b>	<b>1.6</b>	<b>10.1</b>	<b>6.3</b>	<b>2.0</b>	(23)
Tax	1.0	0.8	0.9	0.6	0.9	0.4	0.3	0.5	3.3	2.1	0.7	
Profit from associate and MI	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	-	
Rate (%)	33.8	34.8	39.5	24.4	35.8	27.6	46.2	30.5	32.2	32.5	33.8	
<b>Reported PAT</b>	<b>1.9</b>	<b>1.5</b>	<b>1.5</b>	<b>2.0</b>	<b>1.6</b>	<b>1.1</b>	<b>0.4</b>	<b>1.1</b>	<b>6.9</b>	<b>4.3</b>	<b>1.4</b>	(17)
<b>Adj. PAT</b>	<b>1.9</b>	<b>1.5</b>	<b>1.5</b>	<b>2.0</b>	<b>1.7</b>	<b>1.2</b>	<b>0.5</b>	<b>1.2</b>	<b>6.9</b>	<b>4.6</b>	<b>1.4</b>	(10)
YoY Change (%)	147.1	(31.9)	(38.9)	(17.6)	(10.1)	(18.8)	(68.0)	(38.1)	(11.8)	(32.3)	(31.0)	

Source: Company, MOFSL estimates

## Consolidated quarterly performance

Y/E March	FY22				FY23				FY22	FY23	FY23	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Gray Cement (mt)	2.8	2.9	2.9	3.5	3.2	3.2	3.7	4.1	12.1	14.2	4.1	1
Growth (%)	73.5	20.0	4.8	1.0	15.0	9.5	26.6	17.0	17.7	17.0	16.3	
As a percentage of total volume	91.1	88.3	86.9	87.7	89.1	88.4	88.2	88.6	86.9	87.4	91.4	
White Cement (mt)	0.3	0.4	0.43	0.5	0.4	0.4	0.49	0.5	1.8	2.0	0.4	37
Growth (%)	52.5	8.2	5.3	26.4	45.0	8.5	12.7	7.2	11.0	12.4	(1.2)	
As a percentage of total volume	8.9	11.7	13.1	12.3	10.9	11.6	11.8	11.4	13.1	12.6	8.6	

## Per tonne analysis (INR)

<b>Net realization</b>	<b>5,664</b>	<b>5,689</b>	<b>6,113</b>	<b>5,827</b>	<b>6,374</b>	<b>6,138</b>	<b>5,879</b>	<b>5,947</b>	<b>5,729</b>	<b>5,988</b>	<b>5,788</b>	3
RM Cost	806	962	901	1,051	1,003	1,009	995	975	923	981	913	7
Employee Expenses	454	431	428	337	440	419	386	360	401	393	372	(3)
Power, Oil, and Fuel	1,050	1,067	1,368	1,299	1,450	1,581	1,680	1,659	1,184	1,579	1,522	9
Freight and handling	1,182	1,194	1,236	1,207	1,297	1,270	1,250	1,264	1,185	1,252	1,191	6
Other Expenses	841	1,042	1,070	990	1,049	997	971	941	973	973	1,036	(9)
<b>Total Exp.</b>	<b>4,333</b>	<b>4,696</b>	<b>5,004</b>	<b>4,884</b>	<b>5,240</b>	<b>5,277</b>	<b>5,282</b>	<b>5,199</b>	<b>4,667</b>	<b>5,178</b>	<b>5,035</b>	3
<b>EBITDA</b>	<b>1,331</b>	<b>993</b>	<b>1,109</b>	<b>943</b>	<b>1,134</b>	<b>861</b>	<b>597</b>	<b>748</b>	<b>1,063</b>	<b>810</b>	<b>753</b>	(1)

Source: Company, MOFSL estimates



## Highlights from the management commentary

## Demand and pricing trends

- Cement demand growth will be supported by the government's focus on infrastructure development, rising demand for rural and urban housing, and higher pre-election spending. Industry growth is expected to be at ~10% YoY in 1QFY24; however, JKCE expects to grow at a higher rate, supported by capacity addition. It targets grey cement volume growth of ~15% YoY in FY24.
- Cement prices in most markets have been flat or down marginally from Mar'23-exit. However, prices should increase after the monsoon season.

## Operational highlights

- Its Central India plant achieved 60% capacity utilization and reported EBITDA in the first full quarter of operation. Premium products sales as a % of trade sales

stood at 10% v/s 9% in 3QFY23. It targets to increase premium products share to ~15% in FY24. Premium products pricing is higher by INR20-40/bag compared to normal PPC brand, and they generate incremental EBITDA/t of INR100.

- Green energy usage/thermal substitution rate stood at 44%/13% in FY23 v/s 32%/11% in FY22. It targets to increase green energy/TSR to 75%/35% by FY30.
- Petcoke (landed cost) is expected to decline from INR2.3-2.4/Kcal to INR2.1/Kcal in Jun'23 and further to 1.8-1.9/Kcal. Fuel shipments booked at USD120-125/t will come in 2QFY24 and will be consumed in 3Q.
- Lead distance declined to 438km from 470km in 3QFY23, benefitting from lower lead distance at the Central India plant. However, the transportation cost is higher in central India, which led to a 1% QoQ increase in freight cost/t. The rail:road mix stood at 16:84 in 4QFY23 v/s 19:81 in 3QFY23.
- Blended cement sales increased to 68% from 62% in 3QFY23 and trade sales rose to 69% from 67% in 3QFY23. The increase in trade sales and premium cement sales and lower clinker sales helped JKCE improve realization QoQ.
- EBITDA/t is expected to improve for the industry, as well as JKCE, by INR100/t in 1QFY24. JKCE expects its EBITDA/t to increase to INR1,000 in 2HFY24.
- The company started a brand building journey two and a half years ago, which yielded desired results in terms of increased trade share and premium products share, improved pricing and market share gains.

#### **Capacity expansion and Capex update**

- Central India capacity utilization stood at 60%/80% in 4QFY23/Mar'23. The company focuses on improving efficiency at the new plant, which will further drive improvement in EBITDA/t.
- The company is expanding its grey cement capacity by setting up greenfield grinding units - 1) at Ujjain with a capacity of 1.5mtpa, which is likely to be commissioned in FY24; and 2) at Prayagraj with a capacity of 2mtpa, which is likely to be commissioned by 2QFY25. The increase in Panna's kiln capacity from 8,000tpd to 10,000tpd is expected to be completed after the monsoon season, which will support clinker requirements for these upcoming grinding units.
- Capex in FY24/FY25 is pegged at INR13-14b/INR7b. In FY24, it will spend INR1.5-1.6b for setting up WHRS at South plant, INR1.2-1.5b pending capex for WHRS at Panna, INR3b for Ujjain GU, INR1.5b for Prayagraj GU and INR3b of routine maintenance capex. In FY25, there will be spill over capex of INR500m for Ujjain GU, major capex of INR3.25b for Prayagraj GU and INR3b of routine maintenance capex.

#### **Debt and other highlights**

- Consolidated gross debt (long term) was at INR45.3b v/s INR34.3b as of Mar'22, while net debt stood at INR29.1b v/s INR21.5b as of Mar'22. The net debt-to-EBITDA ratio stood at 2.20x v/s 2.24x in Mar'22. Short-term borrowings stood at INR2b. Net debt at INR34b seems to have peaked out as major expansions have been completed.
- Paint business revenue would be INR1.5-1.8b in FY24 and INR2.7-3b in FY25. It has guided for gross margin of 28-30%, in line with the industry. However, it expects an operating loss in the initial period (estimated to be not more than INR500m) mainly due to spends toward brand building, which will benefit in the long run.

## Key exhibits

Exhibit 1: Total sales volume (consol.) up 16% YoY

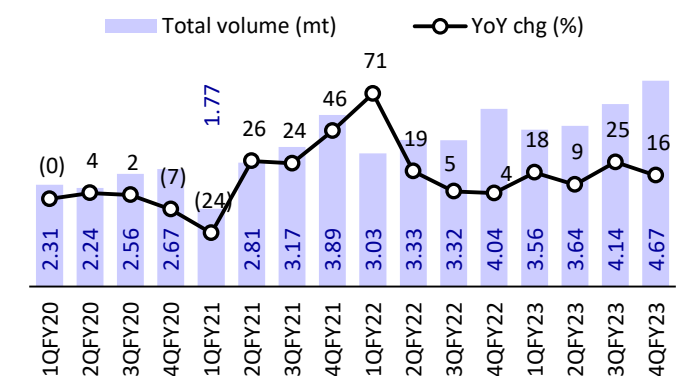


Exhibit 2: Gray Cement realization up 1% YoY

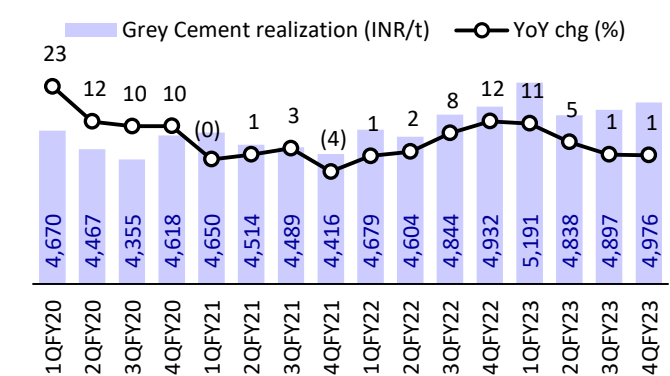


Exhibit 3: OPEX/t up 6% YoY...

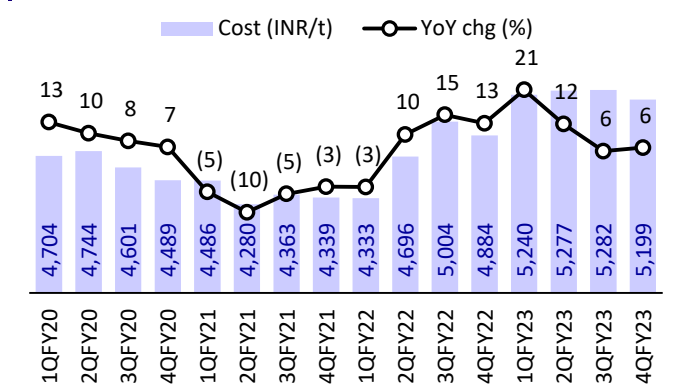


Exhibit 4: ...leading to a 21% YoY drop in EBITDA/t

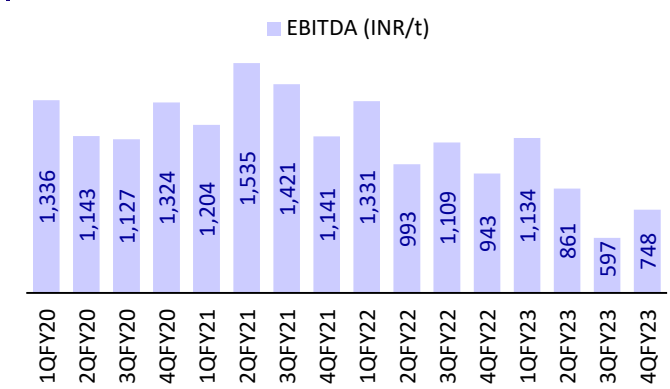
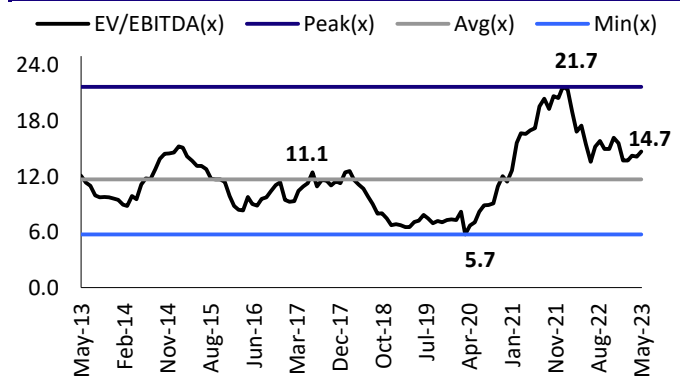


Exhibit 5: Key operating metrics consolidated (blended)

INR/t	4QFY23	4QFY22	YoY (%)	3QFY23	QoQ (%)
Blended realization	5,947	5,827	2	5,879	1
Gray Cement realization	4,976	4,932	1	4,897	2
White Cement realization	12,495	11,268	11	12,025	4
Raw Material Cost	975	1,051	(7)	995	(2)
Staff Cost	360	337	7	386	(7)
Power and fuel	1,659	1,299	28	1,680	(1)
Freight and selling Exp.	1,264	1,207	5	1,250	1
Other Exp.	941	990	(5)	971	(3)
Total Exp.	5,199	4,884	6	5,282	(2)
EBITDA	748	943	(21)	597	25

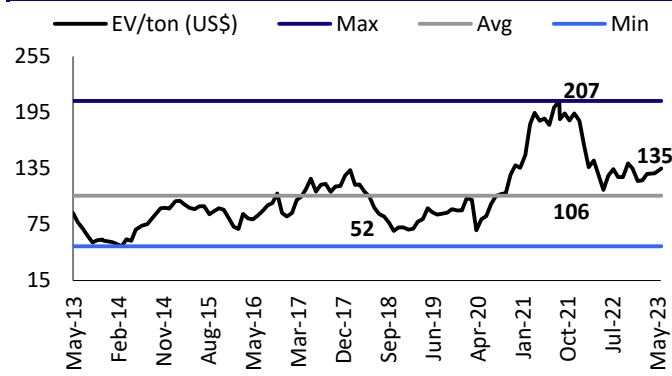
Source: Company, MOFSL

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	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Net Sales</b>	<b>48,535</b>	<b>52,587</b>	<b>58,016</b>	<b>66,061</b>	<b>79,908</b>	<b>97,202</b>	<b>1,04,923</b>	<b>1,15,395</b>
Change (%)	20.7	8.3	10.3	13.9	21.0	21.6	7.9	10.0
<b>EBITDA</b>	<b>7,875</b>	<b>8,345</b>	<b>12,134</b>	<b>15,387</b>	<b>14,824</b>	<b>13,143</b>	<b>18,583</b>	<b>21,650</b>
Margin (%)	16.2	15.9	20.9	23.3	18.6	13.5	17.7	18.8
Depreciation	2,313	2,413	2,880	3,062	3,425	3,990	4,471	4,907
<b>EBIT</b>	<b>5,561</b>	<b>5,932</b>	<b>9,255</b>	<b>12,325</b>	<b>11,399</b>	<b>9,153</b>	<b>14,112</b>	<b>16,742</b>
Int. and Finance Charges	2,841	2,611	2,764	2,528	2,697	3,122	4,437	4,543
Other Income – Rec.	1,269	804	853	1,130	1,429	874	1,398	1,483
<b>PBT bef. EO Exp.</b>	<b>3,989</b>	<b>4,124</b>	<b>7,344</b>	<b>10,927</b>	<b>10,131</b>	<b>6,905</b>	<b>11,073</b>	<b>13,682</b>
EO Expense/(Income)	157	0	0	0	0	592	0	0
<b>PBT after EO Exp.</b>	<b>3,832</b>	<b>4,124</b>	<b>7,344</b>	<b>10,927</b>	<b>10,131</b>	<b>6,313</b>	<b>11,073</b>	<b>13,682</b>
Current Tax	941	1,037	1,593	3,296	2,429	1,424	4,190	5,203
Deferred Tax	35	451	917	600	908	698	0	0
Tax Rate (%)	25.5	36.1	34.2	35.7	32.9	33.6	37.8	38.0
<b>Reported PAT</b>	<b>2,856</b>	<b>2,636</b>	<b>4,834</b>	<b>7,031</b>	<b>6,794</b>	<b>4,191</b>	<b>6,883</b>	<b>8,479</b>
<b>PAT adj. for EO items</b>	<b>2,973</b>	<b>2,636</b>	<b>4,834</b>	<b>7,031</b>	<b>6,871</b>	<b>4,649</b>	<b>6,883</b>	<b>8,479</b>
Change (%)	62.0	-11.3	83.4	45.5	-2.3	-32.3	48.1	23.2
Margin (%)	6.1	5.0	8.3	10.6	8.6	4.8	6.6	7.3
Less: Minority Interest	-39.9	-67.1	-90.0	-66.2	-77.0	-72.5	0.0	0.0
<b>Net Profit</b>	<b>3,013</b>	<b>2,703</b>	<b>4,924</b>	<b>7,317</b>	<b>6,871</b>	<b>4,649</b>	<b>6,883</b>	<b>8,479</b>

Balance Sheet							(INR m)	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	699	773	773	773	773	773	773	773
Total Reserves	19,049	26,249	29,504	36,595	42,476	46,095	51,432	57,980
<b>Net Worth</b>	<b>19,749</b>	<b>27,022</b>	<b>30,277</b>	<b>37,367</b>	<b>43,249</b>	<b>46,868</b>	<b>52,205</b>	<b>58,752</b>
Deferred Liabilities	2,670	3,123	4,173	5,930	7,383	8,094	8,094	8,094
Minority Interest	0	-72	-203	-257	-343	-444	-444	-444
Total Loans	27,306	26,779	32,840	34,017	38,549	49,951	54,451	52,451
<b>Capital Employed</b>	<b>49,724</b>	<b>56,852</b>	<b>67,086</b>	<b>77,057</b>	<b>88,838</b>	<b>1,04,469</b>	<b>1,14,306</b>	<b>1,18,853</b>
Gross Block	59,334	62,681	75,780	82,126	91,614	1,12,265	1,24,185	1,33,185
Less: Accum. Deprn.	14,900	17,313	20,235	22,752	26,177	30,167	34,638	39,545
<b>Net Fixed Assets</b>	<b>44,433</b>	<b>45,367</b>	<b>55,545</b>	<b>59,374</b>	<b>65,437</b>	<b>82,097</b>	<b>89,547</b>	<b>93,639</b>
Capital WIP	1,043	5,618	5,295	5,093	10,321	5,920	7,000	5,000
<b>Total Investments</b>	<b>1,189</b>	<b>4,383</b>	<b>458</b>	<b>1,422</b>	<b>2,157</b>	<b>923</b>	<b>923</b>	<b>923</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>17,877</b>	<b>18,810</b>	<b>24,122</b>	<b>32,831</b>	<b>36,115</b>	<b>41,552</b>	<b>45,921</b>	<b>50,045</b>
Inventory	5,898	6,365	6,904	7,566	12,087	9,821	10,854	11,737
Account Receivables	2,358	2,606	2,677	3,615	4,268	4,801	5,220	5,633
Cash and Bank Balance	5,595	5,115	9,649	16,416	10,793	15,874	18,591	21,019
Loans and Advances	4,026	4,722	4,892	5,233	8,967	11,056	11,256	11,656
<b>Curr. Liability and Prov.</b>	<b>14,818</b>	<b>17,325</b>	<b>18,334</b>	<b>21,663</b>	<b>25,192</b>	<b>26,024</b>	<b>29,084</b>	<b>30,754</b>
Account Payables	14,316	16,809	16,725	20,276	23,803	24,512	27,532	29,159
Provisions	502	516	1,609	1,388	1,389	1,511	1,554	1,595
<b>Net Current Assets</b>	<b>3,059</b>	<b>1,484</b>	<b>5,788</b>	<b>11,167</b>	<b>10,923</b>	<b>15,528</b>	<b>16,836</b>	<b>19,291</b>
<b>Appl. of Funds</b>	<b>49,724</b>	<b>56,852</b>	<b>67,086</b>	<b>77,057</b>	<b>88,838</b>	<b>1,04,469</b>	<b>1,14,306</b>	<b>1,18,853</b>

Source: Company, MOFSL estimates

## Consolidated financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)*</b>								
<b>Consol. EPS</b>	<b>42.5</b>	<b>34.1</b>	<b>62.6</b>	<b>91.0</b>	<b>88.9</b>	<b>60.2</b>	<b>89.1</b>	<b>109.7</b>
Cash EPS	75.6	65.3	99.8	130.6	133.2	111.8	146.9	173.2
BV/Share	282.4	349.7	391.8	483.6	559.7	606.6	675.6	760.4
DPS	9.0	10.0	17.5	15.0	15.0	15.0	20.0	25.0
Payout (%)	29.5	35.3	33.7	16.5	17.1	27.7	22.5	22.8
<b>Valuation (x)*</b>								
P/E		93.1	50.8	34.9	35.7	52.8	35.7	29.0
Cash P/E		48.6	31.8	24.3	23.8	28.4	21.6	18.3
P/BV		9.1	8.1	6.6	5.7	5.2	4.7	4.2
EV/Sales		4.9	4.5	3.9	3.3	2.8	2.6	2.4
EV/EBITDA		30.9	21.7	16.7	17.6	20.7	14.7	12.5
EV/t (USD)		249	199	182	181	154	133	122
Dividend Yield (%)		0.3	0.6	0.5	0.5	0.5	0.6	0.8
<b>Return Ratios (%)</b>								
RoIC	9.6	9.1	13.0	15.0	12.8	8.2	10.3	11.5
RoE	16.4	11.6	17.2	21.6	17.0	10.3	13.9	15.3
RoCE	10.7	8.5	11.4	12.9	11.2	7.5	9.5	10.4
<b>Working Capital Ratios</b>								
Asset Turnover (x)	1.0	0.9	0.9	0.9	0.9	0.9	0.9	1.0
Inventory (Days)	44.4	44.2	43.4	41.8	55.2	36.9	37.8	37.1
Debtor (Days)	17	18	17	20	19	18	18	18
Creditor (Days)	108	117	105	112	109	92	96	92
Working Capital Turnover (Days)	-19	-25	-24	-29	1	-1	-6	-5
<b>Leverage Ratio (x)</b>								
Current Ratio	1.2	1.1	1.3	1.5	1.4	1.6	1.6	1.6
Debt/Equity ratio	1.4	1.0	1.1	0.9	0.9	1.1	1.0	0.9

### Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	3,832	4,124	7,344	10,927	10,131	6,905	11,073	13,682
Depreciation	2,313	2,413	2,880	3,062	3,425	3,990	4,471	4,907
Interest and Finance Charges	2,348	2,209	1,975	1,666	2,697	3,122	4,437	4,543
Direct Taxes Paid	-996	-977	-1,530	-1,959	-2,429	-1,424	-4,190	-5,203
(Inc.)/Dec. in WC	1,193	-778	2,819	1,715	-5,379	476	1,410	-27
<b>CF from Operations</b>	<b>8,691</b>	<b>6,991</b>	<b>13,488</b>	<b>15,411</b>	<b>8,445</b>	<b>13,069</b>	<b>17,201</b>	<b>17,902</b>
Others	140.7	5	179.2	490	-967	-785	0	0
<b>CF from Operations incl. EO</b>	<b>8831.2</b>	<b>6996.1</b>	<b>13,668</b>	<b>15,901</b>	<b>7,478</b>	<b>12,283</b>	<b>17,201</b>	<b>17,902</b>
(Inc.)/Dec. in FA	-1,443	-6,191	-12,428	-7,678	-14,716	-16,250	-13,000	-7,000
<b>Free Cash Flow</b>	<b>7,388</b>	<b>805</b>	<b>1,240</b>	<b>8,223</b>	<b>-7,238</b>	<b>-3,966</b>	<b>4,201</b>	<b>10,902</b>
(Pur.)/Sale of Investments	-369	-3,193	-2,622	-11,747	-734	1,234	0	0
Others	1,642	182	6,998	11,665	2,232	-344	0	0
<b>CF from Investments</b>	<b>-170</b>	<b>-9,202</b>	<b>-8,052</b>	<b>-7,760</b>	<b>-13,218</b>	<b>-15,360</b>	<b>-13,000</b>	<b>-7,000</b>
Issue of Shares	0	5,043	0	0	0	0	0	0
Inc./(Dec.) in Debt	-4,010	328	3,133	1,120	4,532	11,402	4,500	-2,000
Interest Paid	-2,789	-2,798	-2,507	-2,427	-2,697	-3,122	-4,437	-4,543
Dividend Paid	-673	-843	-1,630	0	-1,159	-1,159	-1,545	-1,932
Others	54	-3	-77	-68	-559	1,036	-1	1
<b>CF from Fin. Activity</b>	<b>-7,419</b>	<b>1,727</b>	<b>-1,081</b>	<b>-1,375</b>	<b>117</b>	<b>8,158</b>	<b>-1,483</b>	<b>-8,474</b>
<b>Inc./Dec. in Cash</b>	<b>1,242</b>	<b>-479</b>	<b>4,534</b>	<b>6,767</b>	<b>-5,623</b>	<b>5,081</b>	<b>2,717</b>	<b>2,428</b>
Opening Balance	4,353	5,595	5,116	9,650	16,416	10,793	15,874	18,591
<b>Closing Balance</b>	<b>5,595</b>	<b>5,116</b>	<b>9,650</b>	<b>16,416</b>	<b>10,793</b>	<b>15,874</b>	<b>18,591</b>	<b>21,019</b>

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Explanation of Investment Rating	
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SELL	< - 10%
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