

Coromandel International

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR1,204 **TP: INR1,400 (+16%)** **Buy**

Subdued demand hurts performance

Operating performance beats our estimates

- Coromandel International (CRIN) reported a weak operating performance in 4QFY24, with EBIT declining 41% YoY. The weak performance was due to lower manufacturing volumes (down 10% YoY) and 26% YoY decline in EBIT in the fertilizer business. The crop protection business was also weak, with EBIT decreasing 32% YoY during the quarter.
- We broadly maintain our earnings estimates for FY25/26 and value the company at ~19x FY26E EPS to arrive at our TP of 1,400. **Reiterate BUY.**

Bloomberg	CRIN IN
Equity Shares (m)	292
M.Cap.(INRb)/(USDb)	354.5 / 4.2
52-Week Range (INR)	1288 / 908
1, 6, 12 Rel. Per (%)	11/-7/2
12M Avg Val (INR M)	459

Financials & Valuations (INR b)

Y/E Mar	2024	2025E	2026E
Sales	220.6	228.9	246.4
EBITDA	24.0	27.3	30.4
PAT	16.4	19.2	21.5
EBITDA (%)	10.9	11.9	12.3
EPS (INR)	55.8	65.1	73.2
EPS Gr. (%)	-18.5	16.6	12.5
BV/Sh. (INR)	320.0	371.0	430.2

Ratios

Net D/E	-0.3	-0.3	-0.4
RoE (%)	19.0	18.8	18.3
RoCE (%)	20.8	20.2	19.5
Payout (%)	21.5	21.5	19.1

Valuations

P/E (x)	21.6	18.5	16.5
EV/EBITDA (x)	13.6	11.8	10.2
Div Yield (%)	1.0	1.2	1.2
FCF Yield (%)	2.4	2.0	4.4

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	57.3	57.3	57.4
DII	20.7	20.3	18.9
FII	7.3	7.7	9.4
Others	14.7	14.7	14.3

Subdued margins in fertilizer and crop protection drag earnings

- CRIN reported an overall revenue of INR39.1b (est. INR48.2b) in 4QFY24, down 29% YoY, due to lower subsidy realization and reduced volumes in the fertilizer business. Total manufacturing volumes (NPK+DAP) remained flat YoY at 539KMT, while total phosphate fertilizer manufacturing volumes (including SSP) dipped 10% YoY to 658KMT.
- Nutrient & other allied business revenue declined 31% YoY to INR33.7b, while crop protection business revenue declined 8% YoY to INR5.6b. The crop protection business performance was adversely affected by higher inventory in the global market.
- EBITDA declined 32% YoY to INR2.7b (est. INR2.4b). As per our calculations, manufacturing EBITDA/MT (including SSP) stood at INR2,890 (down 31% YoY); while the same for phosphate fertilizers (DAP and NPK) stood at INR3,252 (down 36% YoY).
- The EBIT margin for nutrient & other allied business expanded 50bp to 7.5%, while the margin dipped 390bp YoY to 11.2% for the crop protection business.
- Adj. PAT stood at INR1.6b (est. INR1.4b), down 35% YoY.
- For FY24, CRIN's revenue/EBITDA/Adj. PAT declined 26%/18%/18% to INR220.6b/INR24.0b/INR16.4b. Net cash stood at ~INR28.1b vs. ~INR14.1b in FY23.

Highlights from the management commentary

- Guidance:** Management has guided for EBITDA/MT of ~INR4,500-5,000 in FY25. It has also guided for an overall capex of ~INR12-15b in FY25 across the fertilizer business (includes a new 650 TPD phosphoric acid plant and a 1,800 TPD sulphuric acid plant) as well as the crop protection business (MPP plant).
- Newer businesses such as Specialty Nutrition Division (SND), bio-products and retail stores business are expected to grow ~10-15% going forward. Further, profitability of these businesses is also likely to improve over time.
- Dhaksha** has a strong order book of around INR2.5b from the Defense and Agriculture segments as of Mar'24, which is executable in 1HFY25. Its new facility at Chennai has a capacity to manufacture ~400 agricultural drones and ~50 drones for the logistics and defense sector per month.

Valuation and view

- The operating performance of the Fertilizer business is expected to remain subdued in 1HFY25, primarily due to the exceptional fertilizer business operating profit in 1HFY24, which is going to normalize in 1HFY25. However, the operating performance of the crop protection business is likely to improve from 1QFY25.
- We broadly maintain our earnings estimates for FY25/26 and value the company at ~19x FY26E EPS to arrive at our TP of 1,400. **Reiterate BUY.**

Quarterly Performance**(INR m)**

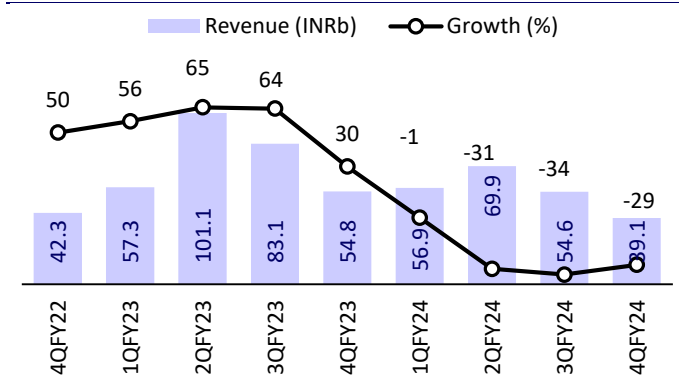
Y/E March	FY23				FY24				FY23	FY24	FY24	Var.
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	%	
Net Sales	57,291	1,01,134	83,096	54,758	56,934	69,881	54,642	39,127	2,96,279	2,20,584	48,182	-19
YoY Change (%)	56.4	64.5	63.8	29.5	-0.6	-30.9	-34.2	-28.5	55.0	-25.5	-12.0	
Total Expenditure	50,437	90,564	75,290	50,726	49,842	59,294	51,063	36,397	2,67,017	1,96,596	45,736	
EBITDA	6,854	10,570	7,806	4,032	7,092	10,587	3,578	2,730	29,262	23,988	2,445	12
Margins (%)	12.0	10.5	9.4	7.4	12.5	15.2	6.5	7.0	9.9	10.9	5.1	
Depreciation	446	457	471	446	481	540	635	630	1,820	2,286	600	
Interest	266	542	568	524	405	462	381	617	1,900	1,866	340	
Other Income	536	311	396	469	445	448	585	835	1,711	2,314	450	
PBT before EO expense	6,678	9,881	7,163	3,531	6,651	10,033	3,147	2,319	27,253	22,150	1,955	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	6,678	9,881	7,163	3,531	6,651	10,033	3,147	2,319	27,253	22,150	1,955	
Tax	1,703	2,481	1,794	901	1,674	2,450	776	578	6,879	5,478	492	
Rate (%)	25.5	25.1	25.0	25.5	25.2	24.4	24.7	24.9	25.2	24.7	25.2	
Minority Interest & P/L of Asso. Cos.	-15	-6	100	166	36	15	61	138	245	250	108	
Reported PAT	4,991	7,406	5,269	2,464	4,940	7,569	2,310	1,603	20,129	16,422	1,355	
Adj PAT	4,991	7,406	5,269	2,464	4,940	7,569	2,310	1,603	20,129	16,422	1,355	18
YoY Change (%)	47.8	42.6	38.1	-15.0	-1.0	2.2	-56.2	-34.9	31.7	(18.4)	(45.0)	
Margins (%)	8.7	7.3	6.3	4.5	8.7	10.8	4.2	4.1	6.8	7.4	2.8	

Key Performance Indicators

Y/E March	FY23				FY24				FY23	FY24
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Volume Growth (%)	2.7	20.2	45.9	38.6	20.3	-20.8	-7.7	-19.5	26.4	20.3
Manufacturing (%)	-11.1	17.0	20.3	3.7	10.6	-8.2	-9.8	-9.6	8.2	10.6
Trading (%)	183.3	29.1	163.7	126.6	59.9	-53.0	-3.3	-31.0	97.4	59.9
Mfg EBITDA/MT (INR)	6,715	6,323	5,320	4,196	6,754	7,230	1,330	1,857	3,987	4,500
Cost Break-up										
RM Cost (% of sales)	75.3	81.4	80.5	77.4	74.1	73.2	79.1	72.1	79.2	74.1
Staff Cost (% of sales)	2.7	1.7	2.0	3.0	2.9	2.5	3.4	4.4	2.2	2.9
Freight Cost (% of sales)	4.3	3.0	4.0	4.6	5.3	4.3	5.6	6.4	3.8	5.3
Other Cost (% of sales)	5.7	3.5	4.1	7.7	5.2	4.7	5.3	10.2	4.8	5.2
Gross Margins (%)	24.7	18.6	19.5	22.6	25.9	26.8	20.9	27.9	20.8	25.9
EBITDA Margins (%)	12.0	10.5	9.4	7.4	12.5	15.2	6.5	7.0	9.9	12.5
EBIT Margins (%)	11.2	10.0	8.8	6.5	11.6	14.4	5.4	5.4	9.3	9.8

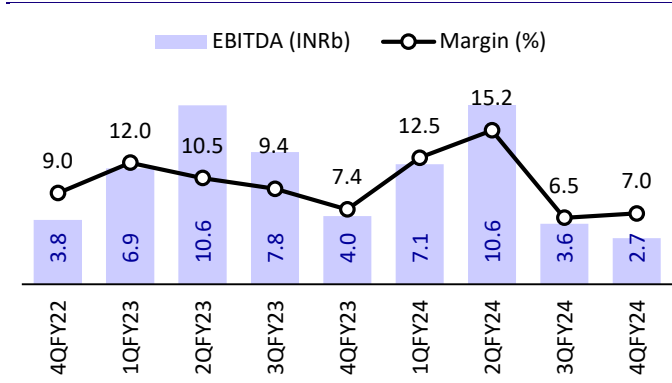
Key exhibits

Exhibit 1: Revenue trend



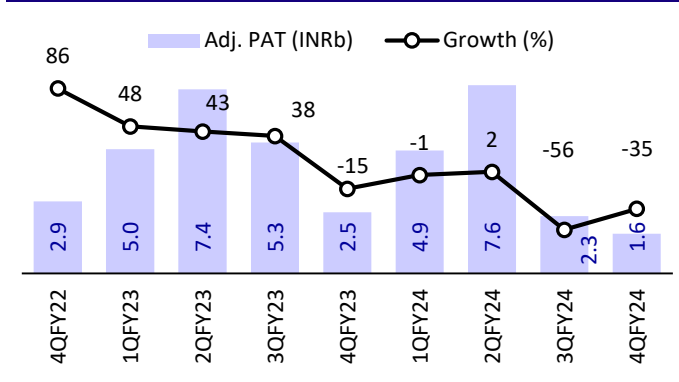
Source: Company, MOFSL

Exhibit 2: EBITDA trend



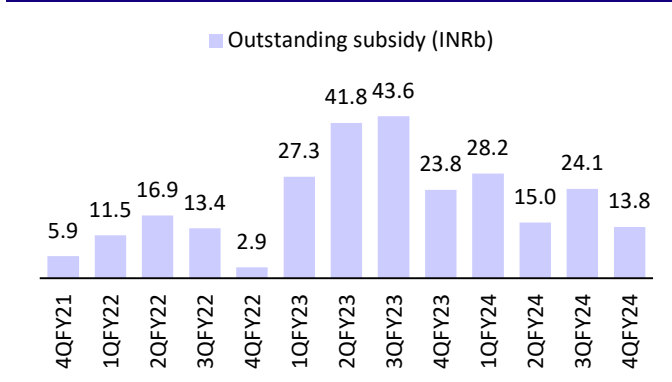
Source: Company, MOFSL

Exhibit 3: Adjusted PAT trend



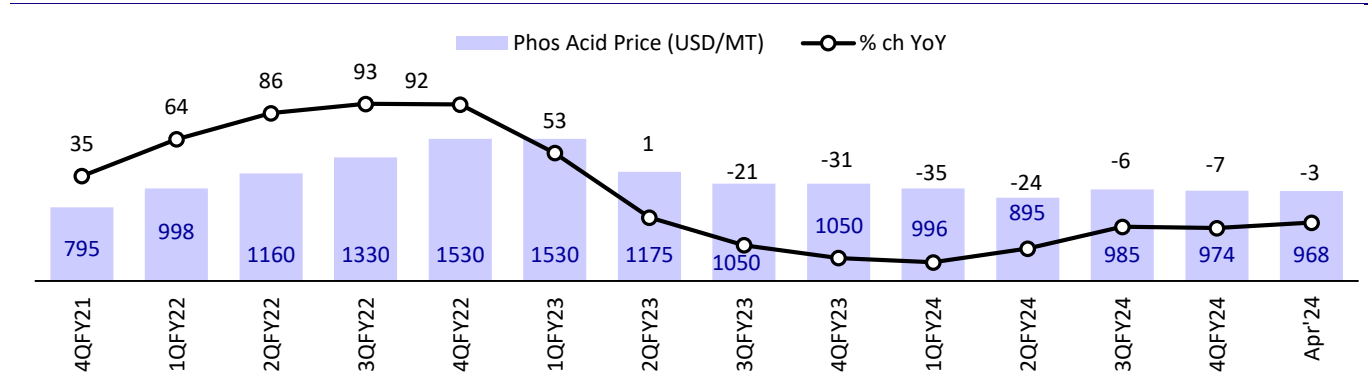
Source: Company, MOFSL

Exhibit 4: Trend in outstanding subsidy



Source: Company, MOFSL

Exhibit 5: Price trend in phosphoric acid



Source: Company, Bloomberg, MOFSL

Exhibit 6: Segmental revenue and EBIT trends

INR m	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Segment revenue									
Nutrient and Other Allied	36,828	51,105	94,612	77,098	48,806	52,006	63,017	49,027	33,702
YoY growth (%)	56%	66%	73%	72%	33%	2%	-33%	-36%	-31%
Crop Protection	5,561	6,607	7,068	6,526	6,155	5,475	7,301	6,154	5,644
YoY growth (%)	8%	5%	1%	5%	11%	-17%	3%	-6%	-8%
Less: Inter-segment	120	422	547	528	203	547	437	540	219
Total	42,268	57,291	1,01,134	83,096	54,758	56,934	69,881	54,642	39,127
Segment EBIT									
Nutrient and Other Allied	3,248	6,022	9,553	6,972	3,390	6,717	9,913	2,516	2,515
Margin (%)	8.8%	11.8%	10.1%	9.0%	6.9%	12.9%	15.7%	5.1%	7.5%
Crop Protection	735	867	1,053	810	928	550	871	846	631
Margin (%)	13.2%	13.1%	14.9%	12.4%	15.1%	10.0%	11.9%	13.7%	11.2%
Unallocable expenses	640	481	493	447	731	656	737	419	1,046
Total	3,343	6,408	10,112	7,335	3,587	6,611	10,048	2,943	2,100

Source: Company, MOFSL

Exhibit 7: Volume trend

Quarterly volume trend ('000MT)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Manufactured									
NPK	513	629	1,072	886	531	714	994	817	506
Growth (%)	0%	-30%	58%	73%	-16%	14%	-7%	-8%	-5%
DAP	30	59	34	28	7	44	33	59	33
Growth (%)	1884%	133%	-54%	-7%	-88%	-25%	-3%	111%	371%
SSP	159	159	243	216	190	179	212	143	119
Growth (%)	-12%	-30%	31%	36%	19%	13%	-13%	-34%	-37%
Total Manufacturing	702	847	1,349	1,130	728	937	1,239	1,019	658
Growth (%)	1%	-27%	44%	61%	-14%	11%	-8%	-10%	-10%
Traded									
MOP	0	4	20	2	1	11	37	22	12
Growth (%)	-100%	-64%	NA	NA	NA	175%	85%	1000%	1100%
DAP Traded	53	39	137	136	87	97	132	62	51
Growth (%)	-12%	-75%	149%	157%	123%	149%	-4%	-54%	-41%
NPK Traded	8	0	0	0	0	0	0	0	0
Urea	225	164	371	400	542	223	79	436	372
Growth (%)	140%	-19%	181%	78%	230%	36%	-79%	9%	-31%
Total Trading	286	207	528	538	630	331	248	520	435
Growth (%)	38%	-45%	171%	88%	204%	60%	-53%	-3%	-31%
Total Trading + Mfg.	988	1,054	1,877	1,668	1,358	1,268	1,487	1,539	1,093
Growth (%)	10%	-31%	66%	69%	29%	20%	-21%	-8%	-20%
Total NPK (mfg. + trading)	521	629	1,072	886	531	714	994	817	506
Growth (%)	-1%	-31%	56%	70%	-16%	14%	-7%	-8%	-5%
Total DAP (mfg. + trading)	83	98	171	164	94	141	165	121	84
Growth (%)	35%	-46%	33%	98%	-4%	44%	-4%	-26%	-11%
Total phosphatic fertilizer	604	727	1,243	1,050	625	855	1,159	938	590
Growth (%)	3%	-33%	52%	74%	-14%	18%	-7%	-11%	-6%

Source: Company, MOFSL



Highlights from the management commentary

Agri scenario

- India witnessed below normal monsoons in FY24 (~94% of the long-period average).
- The key regions for CRIN such as Karnataka and Maharashtra were adversely impacted.
- Further, the lower reservoir levels adversely affected the Rabi season
- Going forward, rainfall for FY25 is likely to be average or above average.

Operating performance

- FY24 was marked by a challenging business environment as sub-normal monsoons and lower reservoir levels in CRIN's key operating markets hit agri-inputs consumption.
- Further, the sharp corrections in subsidy rates in 2HFY24 coupled with global headwinds in Crop Protection resulted in margin pressure.
- Total manufacturing volumes (NPK+DAP) remained flat YoY at 539KMT, while total phosphate fertilizer manufacturing volumes (including SSP) declined 10% YoY to 658KMT.
- CRIN's NPK/DAP market share was ~24%/15% in 4QFY24/FY24 vs. ~25%/17% in 4QFY23/FY23. SSP market share stood at ~17% in FY24 vs. ~15% in FY23.

Outlook and Guidance

- The forecast of an above-normal monsoon and revision in the NBS rates bode well for the industry and CRIN expects the market fundamentals to improve in FY25.
- Fertilizer margins are expected to improve in FY25. Management expects EBITDA/MT of ~INR4,500-5,000 in FY25. Margin improvement will be led by operational efficiency and stabilizing raw material costs.
- Management has guided for an overall capex of ~INR12-15b in FY25 across the fertilizer business (includes a new 650 TPD phosphoric acid plant and a 1,800 TPD sulphuric acid plant) as well as the crop protection business (MPP plant).
- Newer businesses such as Specialty Nutrition Division (SND), bio-products and retail stores business are expected to grow ~10-15% going forward. Further, profitability of these businesses is also likely to improve over time.

Subsidy

- Subsidy revenue mix stood at ~78%/83% in 4QFY24/FY24, while subsidy EBITDA mix stood at ~53%/72% in 4QFY24/FY24
- The company has received a subsidy of ~INR21.7b/INR92b in 4QFY24/FY24 vs. ~INR44.8b/INR124.8b in 4QFY23/FY23
- Outstanding subsidy as of Mar'24 stood at ~INR23.8b vs. ~INR13.8b in Mar'23.

Crop Protection business

- The Crop Protection business registered strong 20% volume growth across the international and domestic markets in FY24.
- However, margin pressure persists due to higher inventories in global markets.

- The business introduced seven new products during the year and is partnering with innovator companies to launch in-licensing products. The new product turnover index for the year was 15%.
- The company is planning to set up multi-product plants and manufacture six new technical in FY25.
- CRIN is looking at newer chemistries such as fluorination chemistry for its crop protection and specialty chemicals domain. The company plans to leverage its unique advantage of having byproducts from its fertilizer business, which can be a source for fluorination chemistry.

Dhaksha

- The company has scaled up its drone spraying services and during FY24 it had covered over 25,000 acres of area.
- Investment in the drone company 'Dhaksha' is progressing well with a strong order book of around INR2.5b from Defense and Agriculture segments.
- Its new facility at Chennai has a capacity to manufacture ~400 agricultural drones and ~50 drones for the logistics and defense sector per month.
- The opportunity for drones is huge and the industry is at a nascent stage. New technology, better quality will help CRIN to scale up Dhaksha in spite of high competitive intensity.
- Margins should be around mid-to-high teens and will improve going forward with improving operational efficiency.

Nano DAP/Urea

- The commercial sale of Nano DAP commenced in 2HFY24 and witnessed good traction. The company expects to expand the volumes in FY25.
- Management expects to receive approval for commissioning the ~10m bottle capacity for Nano DAP plant at Kakinada very soon.
- It is also working on the Nano Urea product.
- Margins are expected to be reasonably healthy. CRIN will have to spend significantly on farmer connect.

Retail stores

- The company is further planning to foray into newer markets in the Retail business, by opening 100 new stores in FY25. This includes 55 stores that were planned in FY24 and the work for the same is underway.
- Overall, 97% of the stores were profitable despite the severe monsoon conditions in its key operating markets
- Drone-based spraying services via retail stores and Gromor Drive, taken up by the Specialty Nutrients team, are progressing pretty well. CRIN covered more than 25,000 acres during the year.

Long term growth plan

- While Coromandel continues to focus on growing core businesses, it has been carefully crafting its long-term strategic growth areas and accordingly focusing its efforts on new businesses.
- It is focusing on: (1) Drones business – Dhaksha; (2) CDMO business – advance stage of discussion with three innovator companies; (3) Specialty Chemical business - leveraging by-products from the fertilizer business in fluorination chemistry and identifying new molecules and (4) Investment in Aztec

Other key highlights

- The company has started work on new phosphoric acid and sulphuric acid complex plants at Kakinada (estimated capex of ~INR10.3b)
- The new phosphoric acid plant will enhance the company's backward integration capacities and provide stable supplies of phosphoric acid for its fertilizer manufacturing by replacing more than 50% of Kakinada plant's imported acid requirement.
- CRIN is looking at debottlenecking the capacity, it will add further 0.35m tons to the existing capacity
- Raw material prices have stabilized and are expected to remain stable in FY25
- The company is doubling the capacity of Sulphur plant as the country is deficient in Sulphur
- The Dahej site is going to be mainly used for herbicides, apart from some insecticides and maybe one or two fungicides. This is the overall green plant.
- CRIN will continue to import urea going ahead. There is no special capex for Urea in the near term.
- Management will keep cash for further organic and inorganic expansions going ahead. Further, the business is working capital intensive as receiving subsidy might take time.

Valuation and view

- The operating performance of the Fertilizer business is expected to remain subdued in 1HFY25, primarily due to the exceptional fertilizer business operating profit in 1HFY24, which is going to normalize in 1HFY25. However, the operating performance of the crop protection business is likely to improve from 1QFY25.
- Going forward, the key growth levers include: i) management's focus on increasing penetration in its existing markets, ii) debottlenecking to raise capacity and strengthen its back-end supply chain, iii) efforts to lower the cost of raw materials without compromising the quality and establishing alternative sourcing destinations (which will aid cost savings), iv) pursuing inorganic growth opportunities, and v) expanding capacities in crop protection (INR10b) for CDMO, specialty, and industrial chemicals.
- We broadly maintain our earnings estimates for FY25/26 and value the company at ~19x FY26E EPS to arrive at our TP of 1,400. **Reiterate BUY.**

Exhibit 8: Revisions to our estimates

Earnings Change (INR m)	Old		New		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	2,46,232	2,63,991	2,28,910	2,46,396	-7%	-7%
EBITDA	27,978	29,782	27,286	30,397	-2%	2%
Adj. PAT	19,737	20,998	19,152	21,540	-3%	3%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement									(INRm)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	1,10,829	1,32,246	1,31,367	1,41,820	1,91,109	2,96,279	2,20,584	2,28,910	2,46,396
Change (%)	10.5	19.3	(0.7)	8.0	34.8	55.0	(25.5)	3.8	7.6
Total Expenditure	98,265	1,17,815	1,14,057	1,21,977	1,69,610	2,67,017	1,96,596	2,01,624	2,15,999
EBITDA	12,564	14,431	17,310	19,843	21,499	29,262	23,988	27,286	30,397
Margin (%)	11.3	10.9	13.2	14.0	11.2	9.9	10.9	11.9	12.3
Depreciation	991	1,138	1,580	1,731	1,727	1,820	2,286	2,418	2,737
EBIT	11,573	13,292	15,730	18,112	19,772	27,442	21,702	24,868	27,660
Int. and Finance Charges	1,783	2,507	2,353	1,057	755	1,900	1,866	1,700	1,700
Other Income	597	371	400	751	1,443	1,711	2,314	2,776	3,193
PBT bef. EO Exp.	10,387	11,156	13,777	17,806	20,460	27,253	22,150	25,945	29,153
EO Expense/(Income)	0	-239	0	0	0	0	0	0	0
PBT after EO Exp.	10,387	10,917	13,777	17,806	20,460	27,253	22,150	25,945	29,153
Current Tax	3,539	3,874	3,686	4,599	5,187	6,919	5,454	6,530	7,338
Deferred Tax	-71	-153	-551	-31	26	-40	24	0	0
Total Tax	3,468	3,721	3,135	4,568	5,213	6,879	5,478	6,530	7,338
Tax Rate (%)	33.4	34.1	22.8	25.7	25.5	25.2	24.7	25.2	25.2
Less: MI/Sh of profit/loss of JV & Ass.	6	-8	-8	-54	-37	245	250	262	275
Reported PAT	6,913	7,205	10,650	13,292	15,285	20,129	16,422	19,152	21,540
Adjusted PAT	6,913	7,443	10,650	13,292	15,285	20,129	16,422	19,152	21,540
Change (%)	44.9	7.7	43.1	24.8	15.0	31.7	-18.4	16.6	12.5
Margin (%)	6.2	5.6	8.1	9.4	8.0	6.8	7.4	8.4	8.7

Consolidated - Balance Sheet									(INRm)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	292	293	293	293	294	294	294	294	294
Total Reserves	28,670	33,291	42,884	51,213	63,289	78,784	93,905	1,08,935	1,26,353
Net Worth	28,963	33,584	43,177	51,506	63,583	79,078	94,199	1,09,230	1,26,648
Deferred Liabilities	1,254	1,123	578	576	660	591	827	827	827
Total Loans	27,284	29,545	16,251	16	0	46	518	518	518
Capital Employed	57,501	64,252	60,007	52,098	64,243	79,715	95,814	1,10,844	1,28,262
Gross Block	25,625	26,631	31,166	36,849	39,337	42,245	46,769	49,936	59,536
Less: Accum. Deprn.	12,248	13,387	14,967	16,698	18,424	20,244	22,529	24,947	27,684
Net Fixed Assets	13,376	13,244	16,200	20,151	20,913	22,001	24,240	24,990	31,853
Goodwill on Consolidation	3	3	3	3	3	3	2,849	2,849	2,849
Capital WIP	375	1,756	654	898	1,412	3,993	2,355	11,187	6,587
Current Investments	1	1	0	0	0	0	0	0	0
Total Investments	2,214	2,008	2,113	2,138	2,435	2,867	8,538	8,538	8,538
Curr. Assets, Loans&Adv.	82,515	88,728	82,517	65,765	88,085	1,13,484	1,20,534	1,10,088	1,28,800
Inventory	22,625	32,414	26,971	26,009	36,632	44,165	46,125	34,493	37,128
Account Receivables	15,777	18,244	17,341	5,544	2,649	5,893	13,935	5,017	5,400
Govt Subsidies Receivable	26,269	23,935	23,162	5,897	2,941	23,779	13,772	15,679	16,876
Cash and Bank Balance	5,554	1,593	783	7,221	17,533	14,178	28,586	32,321	45,093
Loans and Advances	12,291	12,542	14,259	21,094	28,330	25,470	18,116	22,577	24,302
Curr. Liability & Prov.	40,983	41,488	41,481	36,857	48,605	62,633	62,702	46,808	50,365
Account Payables	33,786	37,625	33,481	29,222	39,135	53,138	53,606	38,301	41,245
Other Current Liabilities	6,952	3,542	7,643	7,281	9,132	9,057	8,606	7,526	8,101
Provisions	244	321	357	354	337	439	489	981	1,019
Net Current Assets	41,532	47,240	41,036	28,908	39,481	50,851	57,832	63,280	78,435
Appl. of Funds	57,501	64,252	60,007	52,098	64,243	79,715	95,814	1,10,844	1,28,262

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)									
EPS	23.6	25.4	36.3	45.3	52.1	68.5	55.8	65.1	73.2
Cash EPS	27.0	29.3	41.7	51.2	58.0	74.7	63.5	73.3	82.5
BV/Share	99.1	114.8	147.4	175.5	216.6	269.0	320.0	371.0	430.2
DPS	6.5	6.5	12.0	12.0	12.0	12.0	14.0	14.0	14.0
Payout (%)	33.0	31.7	39.6	26.5	23.0	17.5	25.1	21.5	19.1
Valuation (x)									
P/E	50.9	47.3	33.1	26.6	23.1	17.6	21.6	18.5	16.5
Cash P/E	44.5	41.0	28.8	23.5	20.8	16.1	18.9	16.4	14.6
P/BV	12.2	10.5	8.2	6.9	5.6	4.5	3.8	3.2	2.8
EV/Sales	3.4	2.9	2.8	2.4	1.8	1.1	1.5	1.4	1.3
EV/EBITDA	29.7	26.3	21.3	17.4	15.6	11.6	13.6	11.8	10.2
Dividend Yield (%)	0.5	0.5	1.0	1.0	1.0	1.0	1.2	1.2	1.2
FCF per share	4.8	8.7	51.8	121.3	60.6	1.4	29.0	23.9	53.2
Return Ratios (%)									
RoE	23.9	23.8	27.7	28.1	26.6	28.2	19.0	18.8	18.3
RoCE	15.1	15.1	20.3	25.3	27.5	30.5	20.8	20.2	19.5
RoIC	16.0	16.2	21.1	27.4	34.8	40.4	28.4	32.3	32.6
Working Capital Ratios									
Fixed Asset Turnover (x)	4	5	4	4	5	7	5	5	4
Asset Turnover (x)	1.9	2.1	2.2	2.7	3.0	3.7	2.3	2.1	1.9
Inventory (Days)	75	89	75	67	70	54	76	55	55
Debtor (Days)	52	50	48	14	5	7	23	8	8
Govt Subs Receivable (days)	87	66	64	15	6	29	23	25	25
Creditor (Days)	162	147	135	110	100	83	119	83	83
Working Capital Turnover (Days)	118	126	112	56	42	45	48	49	49
Leverage Ratio (x)									
Current Ratio	2.0	2.1	2.0	1.8	1.8	1.8	1.9	2.4	2.6
Interest Cover Ratio	6	5	7	17	26	14	12	15	16
Debt/Equity	0.9	0.9	0.4	0.0	0.0	0.0	0.0	0.0	0.0

Consolidated - Cash Flow Statement

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
NP/(Loss) Before Tax and EO Items	10,387	11,156	13,777	17,806	20,460	27,253	22,150	25,945	29,153
Depreciation	991	1,138	1,580	1,731	1,727	1,820	2,286	2,418	2,737
Interest & Finance Charges	119	1,783	2,353	1,057	755	189	-448	-1,076	-1,493
Direct Taxes Paid	-3,498	-3,709	-3,135	-4,568	-4,834	-7,038	-5,478	-6,530	-7,338
(Inc)/Dec in WC	-7,540	-4,601	4,044	25,476	3,716	-16,520	7,427	-1,713	-2,383
CF from Operations	459	5,768	18,620	41,502	21,824	5,703	25,936	19,043	20,676
Others	2,174	-504	0	0	-1,044	207	-11,659	0	0
CF from Operating incl EO	2,633	5,264	18,620	41,502	20,781	5,910	14,277	19,043	20,676
(inc)/dec in FA	-1,230	-2,731	-3,434	-5,926	-3,002	-5,489	-5,732	-12,000	-5,000
Free Cash Flow	1,402	2,534	15,186	35,576	17,779	421	8,545	7,043	15,676
(Pur)/Sale of Investments	0	0	-105	-25	-297	-432	-5,671	0	0
Others	2,483	-4,053	1,320	-6,622	-12,921	12,312	-1,940	2,776	3,193
CF from Investments	1,253	-6,784	-2,219	-12,572	-16,220	6,390	-13,343	-9,224	-1,807
Issue of Shares	167	45	1	0	0	1	0	0	0
Inc/(Dec) in Debt	4,437	2,316	-13,294	-16,235	-16	46	472	0	0
Interest Paid	-1,801	-2,511	-2,353	-1,057	-755	-1,900	-1,866	-1,700	-1,700
Dividend Paid	-2,813	-2,292	-4,219	-3,521	-3,522	-3,528	-4,122	-4,122	-4,122
Others	0	0	2,654	-1,679	10,044	-10,273	18,989	-262	-275
CF from Fin. Activity	-10	-2,441	-17,211	-22,491	5,751	-15,655	13,474	-6,084	-6,097
Inc/Dec of Cash	3,876	-3,961	-810	6,438	10,312	-3,355	14,408	3,735	12,772
Add: Beginning Balance	1,678	5,554	1,593	783	7,221	17,533	14,178	28,586	32,321
Closing Balance	5,554	1,593	783	7,221	17,533	14,178	28,586	32,321	45,093

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.