UPL

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	UPLL IN
Equity Shares (m)	751
M.Cap.(INRb)/(USDb)	403.5 / 4.8
52-Week Range (INR)	639 / 448
1, 6, 12 Rel. Per (%)	-8/-12/-40
12M Avg Val (INR M)	1869

Financials & Valuations (INR b)

Y/E Mar	2024	2025E	2026E
Sales	431.0	456.9	501.5
EBITDA	55.2	77.4	92.3
PAT	2.8	20.0	34.4
EBITDA (%)	12.8	16.9	18.4
EPS (INR)	3.7	26.1	45.0
EPS Gr. (%)	(93.7)	612.8	72.5
BV/Sh. (INR)	491	506	553
Ratios			
Net D/E	1.0	0.9	0.7
RoE (%)	1.1	7.9	12.9
RoCE (%)	5.3	6.9	9.8
Payout (%)	(70.1)	59.0	31.1
Valuations			
P/E (x)	146.9	20.6	11.9
EV/EBITDA (x)	11.9	8.3	6.6
Div Yield (%)	2.1	2.7	2.7
FCF Yield (%)	(2.7)	14.9	17.5

Shareholding pattern (%)

	Jun-24	Mar-24	Jun-23
Promoter	32.4	32.4	32.4
DII	15.7	15.3	15.2
FII	37.8	37.0	42.0
Others	14.1	15.4	10.4

Note: FII includes depository receipts

CMP: INR538 TP: INR550 (+2%) Neutral

Margin pressure continues due to lower price and high COGS

Operating performance below expectations

- UPLL reported a weak quarter as revenue grew marginally (1% YoY), led by strong volume growth (up 16%) offset by lower agrochemical prices (down 15% YoY). EBITDA margins contracted 510bp YoY largely due to price decline, liquidation of high-cost inventory (~USD10-12m) and increase in freight cost.
- Gross debt (excluding perpetual bonds) increased to INR316.5b as of Jun'24 from INR300.8b/INR284.4b as of Jun'23/Mar'24. Net debt (excluding perpetual bonds) increased to INR275b as of Jun'24 from INR262b/INR222b as of Jun'23/Mar'24.
- Despite weak operating performance in 1Q, we largely retain our FY25E/FY26E EPS on the back of positive commentary on outlook (margin recovery and strong volume growth in 2HFY25) and unchanged guidance. **Reiterate Neutral with a TP of INR550.**

Revenue improves YoY across regions, except LATAM and India

- UPL reported a revenue of INR90.7b (in line) in 1QFY25, up 1% YoY (volume growth: 16%, price decline: 14%, exchange loss: 1%).
- EBITDA stood at INR11.5b (est. INR14b), down 28% YoY. EBITDA margin was 12.6% vs. 17.8% in 1QFY24, due to a 600bp contraction in gross margin. Contribution margin was hit by high-cost inventory liquidation and higher rebates to support channel partners. Net loss came in at INR2b (est. loss of INR1.4b) vs. net profit of INR4b in 1QFY24.
- **India** revenue declined 9% YoY to INR18.7b, led by the company's strategy to place products closer to the season (shift product placement in 1Q to 2Q) to optimize working capital and prioritize cash collections.
- **North America** revenue grew 42% YoY to INR12.4b, fueled by strong volume growth (~20% YoY) mainly in herbicides & fungicides, as well as the restocking of inventory before season. **LATAM** revenue dipped 10% YoY to INR26.6b, owing to continued pricing pressure in Brazil, shift of purchase closer to the season in Argentina, and drought in Colombia. **Europe** revenue rose 13% YoY to INR14.3b, aided by volume improvement, while **RoW** revenue grew 3% YoY to INR18.7b, owing to higher volumes in Africa and insecticides.
- Advanta/UPL Specialty Chemicals' revenue declined 7%/22% YoY to INR9.9b/INR21.5b led by tight inventories of certain products and supply constraints/decline in captive revenue due to inventory liquidation.

Highlights from the management commentary

- **Guidance:** Management maintained its guidance for ~4-8% revenue growth in FY25, with an absolute EBITDA growth of over 50% and CFO generation of USD300-400m. The majority of the high-cost inventory has been sold this quarter, and UPL is left with only a little quantity to be sold in 2Q, resulting in a recovery in contribution margin hereon.

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- **Outlook on Pricing**: Global agrochemical prices have largely stabilized in this quarter. Management is not expecting a 1Q-like pricing impact in the quarters going forward, and it is anticipating stable pricing in 2HFY25.
- Deleveraging **guidance intact:** To reduce debt by USD300m-400m (ex-rights issue proceeds) in FY25.

Valuation and view

- We expect 2HFY25 to witness a recovery in margins aided by the entire high-cost inventory liquidation in 1HFY25, stable agrochemical prices, and demand recovery across the key markets.
- Considering the short-term challenges, cash flow generation and debt repayments remain the key monitorables.
- Despite weak operating performance, we largely maintain our FY25E/FY26E on the back of a strong commentary on outlook and unchanged guidance. **Reiterate Neutral with a TP of INR550 (based on 12x FY26E EPS; ~20% discount to its five-year average, and a one-year forward P/E of 15x)**.

Cons.: Quarterly Earnings Model (INRb)

Y/E March	FY24				FY25				FY24	FY25E	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	%
Net Sales	**89.6**	**101.7**	**98.9**	**140.8**	**90.7**	**103.5**	**106.8**	**155.9**	**431.0**	**456.9**	**89.5**	**1%**
YoY Change (%)	-17.2	-18.7	-27.7	-15.0	1.2	1.8	8.0	10.8	-19.6	6.0	-0.1	
Total Expenditure	73.7	86.0	94.7	121.5	79.2	88.4	86.4	125.6	375.8	379.6	75.5	
EBITDA	**15.9**	**15.8**	**4.2**	**19.3**	**11.5**	**15.2**	**20.4**	**30.4**	**55.2**	**77.4**	**14.0**	**-18%**
Margins (%)	17.8	15.5	4.2	13.7	12.6	14.6	19.1	19.5	12.8	16.9	15.7	
Depreciation	6.4	6.6	6.8	7.9	6.6	6.7	7.5	8.7	27.6	29.5	6.3	
Interest	7.0	8.7	11.9	10.9	9.1	9.0	8.5	8.0	38.5	34.6	10.5	
Other Income	1.0	1.1	1.5	1.3	1.0	1.0	1.4	1.2	4.8	4.6	1.0	
Exch. difference on trade rec./payable	3.2	2.5	3.2	0.8	0.5	0.0	0.0	0.0	9.8	0.5	0.0	
PBT before EO expense	**0.4**	**-1.0**	**-16.2**	**0.9**	**-3.7**	**0.4**	**5.8**	**14.9**	**-15.9**	**17.4**	**-1.8**	
Extra-Ord expense	0.4	0.9	0.2	1.1	0.5	0.0	0.0	0.0	2.5	0.5	0.0	
PBT	**0.0**	**-1.9**	**-16.4**	**-0.1**	**-4.2**	**0.4**	**5.8**	**14.9**	**-18.5**	**16.9**	**-1.8**	**NA**
Tax	-1.6	-1.0	-0.6	1.1	0.7	0.1	1.0	2.7	-2.1	4.5	-0.3	
Rate (%)	3,280.0	51.9	3.6	-733.3	-17.0	18.0	18.0	18.0	11.3	26.8	18.0	
MI & P/L of Asso. Cos.	-0.1	1.0	-3.6	-1.7	-1.1	1.1	-4.0	-1.7	-4.4	-5.8	-0.1	
Reported PAT	**1.7**	**-1.9**	**-12.2**	**0.4**	**-3.8**	**-0.7**	**8.8**	**13.9**	**-12.0**	**18.2**	**-1.4**	**NA**
Adj PAT	**4.0**	**1.1**	**-5.9**	**3.6**	**-2.0**	**-0.7**	**8.8**	**13.9**	**2.8**	**20.0**	**-1.4**	**NA**
YoY Change (%)	-61.7	-89.8	-144.2	-65.1	-150.8	-168.9	-248.5	282.3	-93.7	612.8	NA	

Note: Adjusted PAT = Reported PAT + forex adjustment + exceptional item

Key Performance Indicators

Y/E March	FY24				FY25E				FY24	FY25E
Consolidated	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Growth Split										
Volume (%)	**-9.0**	**-7.0**	**-5.0**	**-2.0**	**16.0**	**0.0**	**0.0**	**0.0**	**-6.0**	**8.0**
Price (%)	**-10.0**	**-15.0**	**-24.0**	**-15.0**	**-14.0**	**0.0**	**0.0**	**0.0**	**-17.0**	**-2.0**
Exchange Impact (%)	**2.0**	**3.0**	**1.0**	**2.0**	**-1.0**	**0.0**	**0.0**	**0.0**	**2.0**	**0.0**
Cost Break-up										
RM Cost (% of sales)	43.8	51.4	64.0	64.0	49.9	50.0	49.2	55.0	**56.8**	**51.5**
Staff Cost (% of sales)	13.8	12.3	11.7	7.4	14.7	12.4	11.7	8.3	**10.9**	**11.3**
Other Cost (% of sales)	24.6	20.8	20.2	14.9	22.8	23.0	20.0	17.2	**19.5**	**20.3**
Gross Margins (%)	56.2	48.6	36.0	36.0	50.1	50.0	50.8	45.0	**43.2**	**48.5**
EBITDA Margins (%)	17.8	15.5	4.2	13.7	12.6	14.6	19.1	19.5	**12.8**	**16.9**
EBIT Margins (%)	10.7	9.0	-2.6	8.1	5.4	8.2	12.1	13.9	**6.4**	**10.5**

Key exhibits

Exhibit 1: Quarterly revenue trend

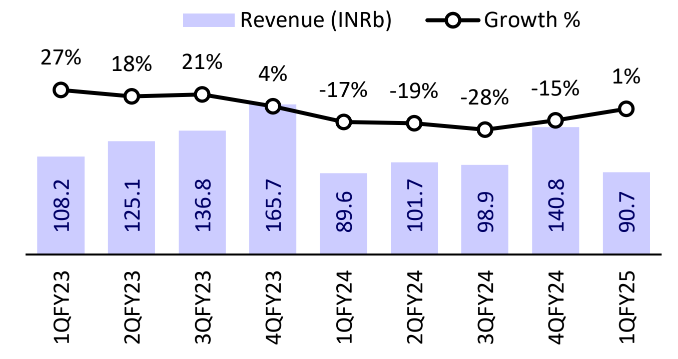


Exhibit 2: Quarterly EBITDA trend

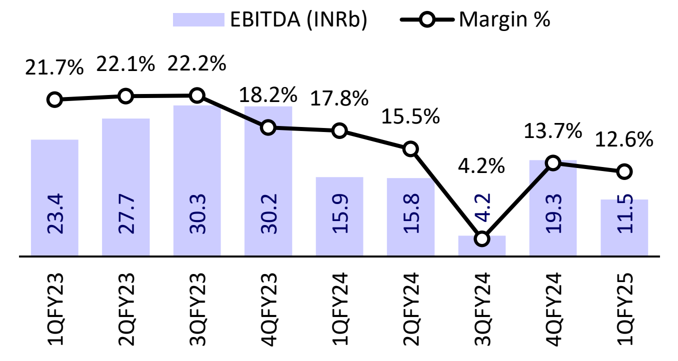


Exhibit 3: Quarterly adjusted PAT trend

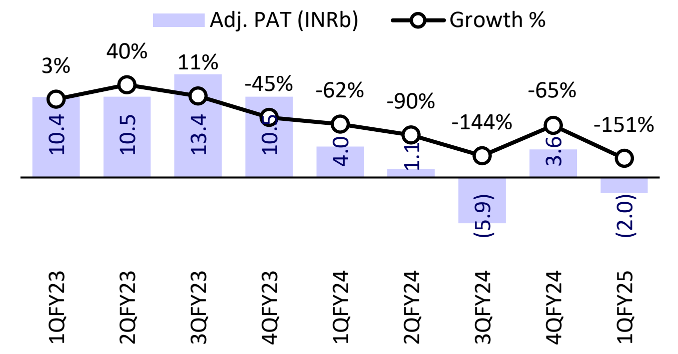


Exhibit 4: Quarterly and annual growth breakup

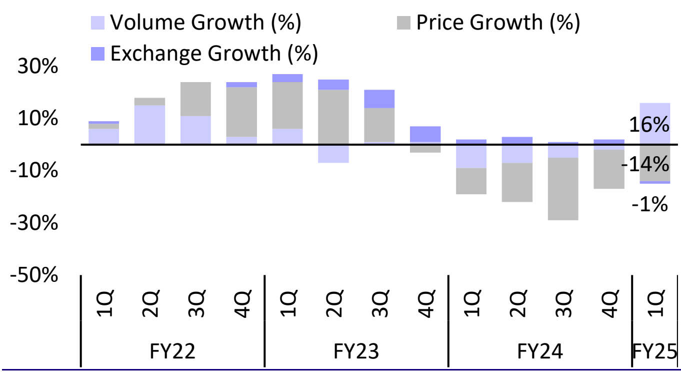


Exhibit 5: Quarterly revenue trend – India

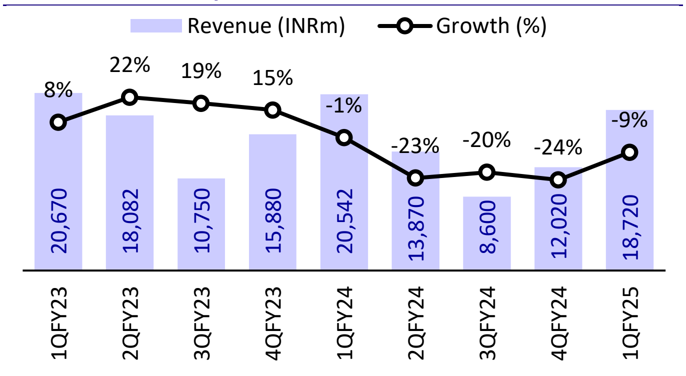


Exhibit 6: Quarterly revenue trend – LATAM

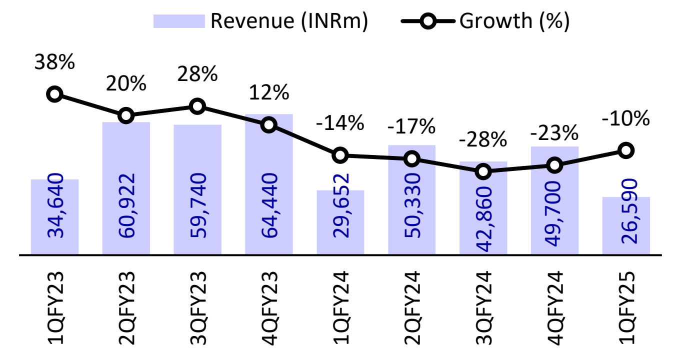
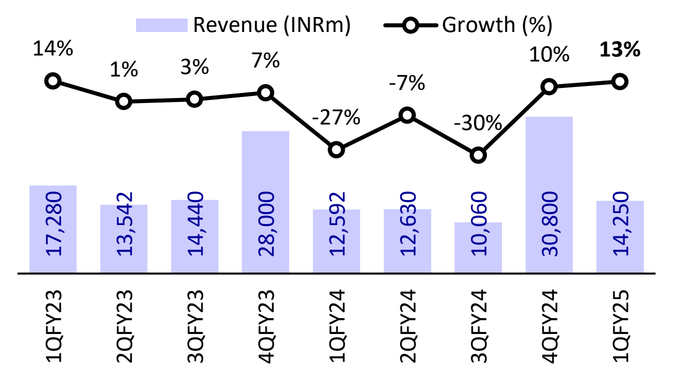
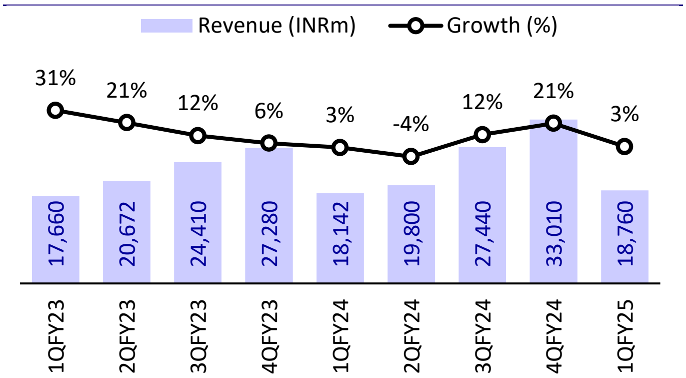


Exhibit 7: Quarterly revenue trend – Europe



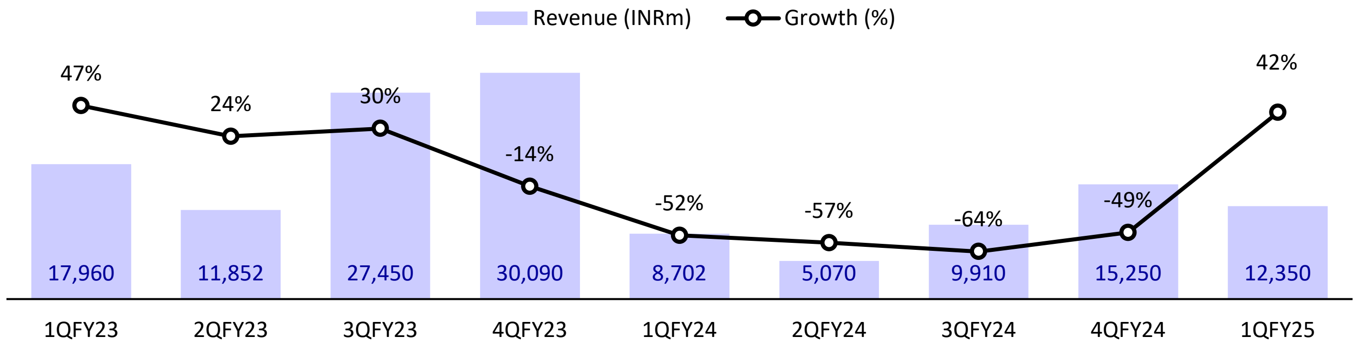
Source: Company, MOFSL

Exhibit 8: Quarterly revenue trend – RoW



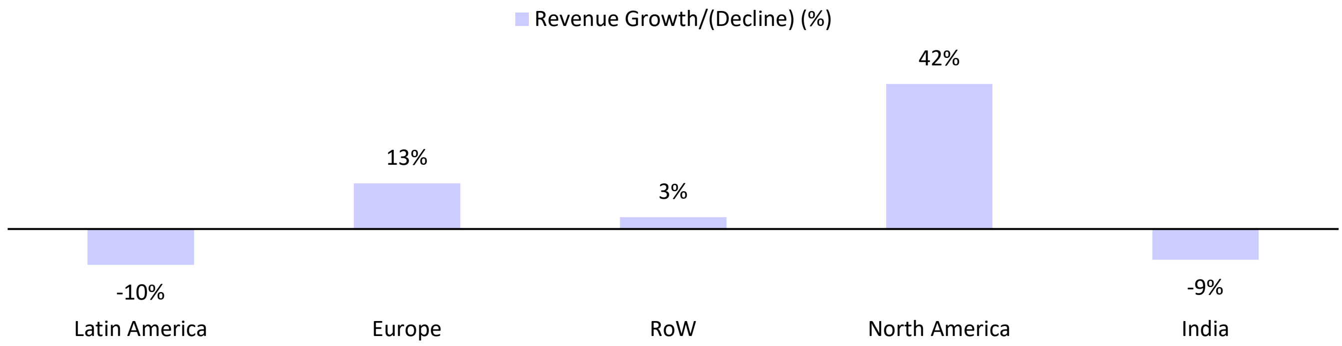
Source: Company, MOFSL

Exhibit 9: Quarterly revenue trend – North America



Source: Company, MOFSL

Exhibit 10: Revenue growth/decline by region in 1QFY25



Source: Company, MOFSL

Exhibit 11: Gross and net debt trends (excluding perpetual bond of INR29.86b)

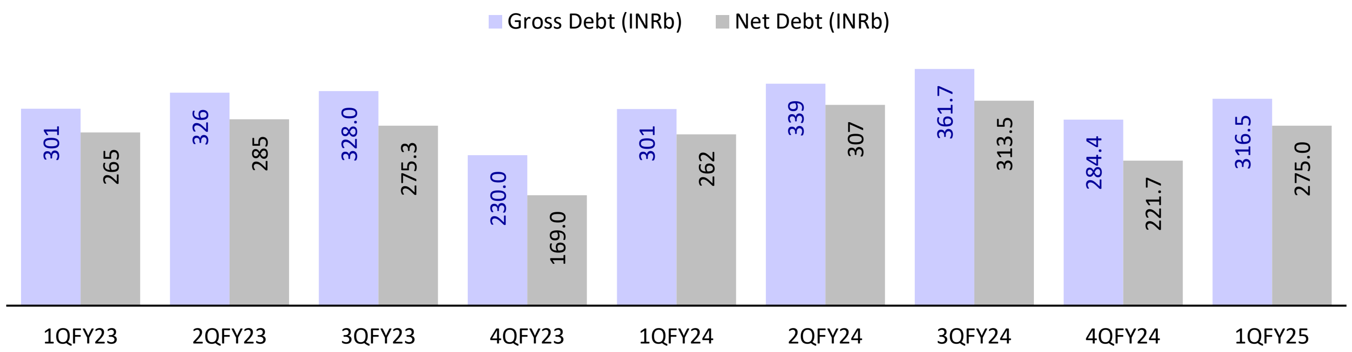
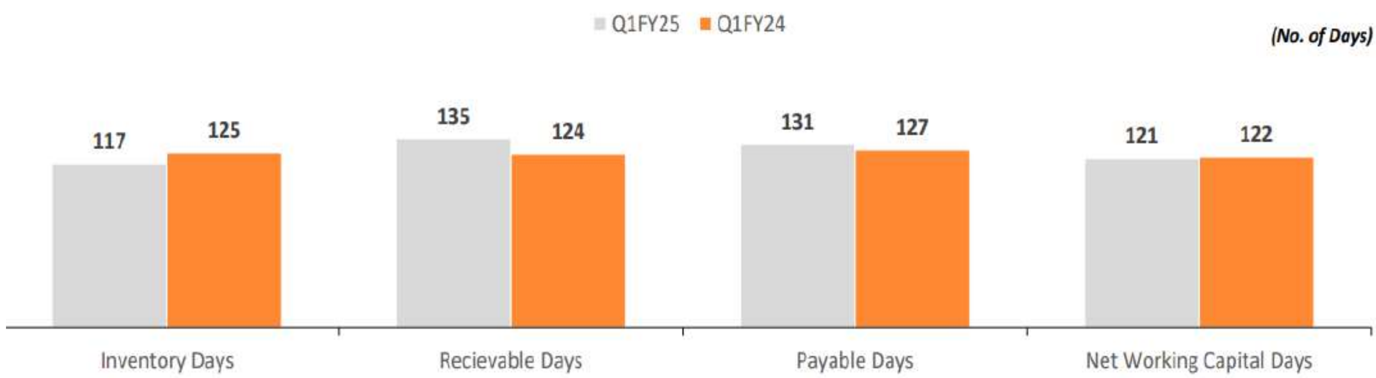


Exhibit 12: Working capital analysis (no. of days)



Source: Company, MOFSL

CONFERENCE CALL

Highlights from the conference call

Operating performance

- UPLL witnessed strong volume recovery across all the geographies. However, the pricing pressure continued during the quarter
- NAM experienced notable growth in spite of pricing pressure, on account of higher volumes of fungicide and herbicide.
- The contribution margin was lower on a YoY basis. However, it improved on a sequential basis, suggesting a beneficial input price impact.

UPL Corporation

- UPL Corporation continued to witness strong fundamentals such as healthy demand for company's product leading to market share gains.
- Revenue grew 5% YoY to INR61.4b in 1QFY25 led by volume growth of 25%, which was partially offset by price decline (down 20% YoY)
- Growth within herbicide volumes was led by NAM and Brazil regions, while fungicides volumes was driven by Europe and NAM.
- NPP witnessed strong performance in 1QFY25, especially within Europe
- **LATEM:** Brazil was hit by price erosion in fungicides while Argentina was adversely impacted due to the shift of purchases closer to the season. Colombia witnessed a poor performance due to drought.
- **NAM** witnessed strong volume growth (~20%), mainly in herbicides and fungicides; NPP revenue up 1% YoY led by volume growth. Restocking led to good volume growth during quarter.
- There would not be any major price increase in near future (not expecting prices to go down from current level) but margins will normalize going ahead.
- **EU:** Strong volume led growth in fungicides; NPP revenue doubled vs. last year, driven by volumes; Growth was primarily driven by Mediterranean countries
- **ROW:** Growth in Africa, with APAC region was almost flat; Growth in herbicides through volumes (+17% YoY) offset by decline in insecticides
- Going ahead, company is expecting prices to increase due to global supply-demand mismatch
- Unfavorable forex impact, increased freight cost and pricing pressure in key AIs will continue to be key headwinds for the company.
- Company will continue to focus on margin improvement. It expects to witness positive outcome from 2HFY25

UPL SAS

- UPL's 1QFY25 revenue declined 17% YoY, with volumes/prices down 13%/4%.
- The decline was primarily on account of postponement of sales to Jul'24 in order to optimize working capital
- The seed treatment window was disrupted during the quarter because of the early rains in Jun'24
- However, with favorable mix and drop in SG&A expenses (down 5% YoY), contribution margin witnessed improvement on YoY basis
- The company will be benefited by decline in prices of Glufosinate. The company has two related products in the market.

- Going forward, the upside in the strategic crops such as Rice, Maize, and Sugarcane is expected to de-risk the business with lowering the dependency on traditional crops
- Alignment towards lean cost structure will lead to better margins going ahead.
- Further, transitioning to the tighter credit and inventory norms is expected to optimize working capital and drive better cash flows
- Company expects to achieve volume growth on YoY basis within key brands

Advanta

- Revenue declined 7% YoY in 1QFY25, where prices increased 1%, volume declined 8% and FX impact was negligible.
- Supply constraints tight inventories of certain products adversely impacted the revenue growth during the quarter.
- Contribution margin was hit (down 270bp YoY) by lower recoveries in India, Thailand & Indonesia and higher production costs due to weather challenges
- Indian farmers have very good profitable profile globally. They are earning ~INR2,300 per quintal on an average
- Going ahead, Field Corn segment is expected to witness positive impact on margins in H2
- While, good monsoon in India is expected to improve the growth trajectory within the segment

UPL Specialty chemical

- Revenue declined 22% YoY in 1QFY25, on account of ~27% decline in captive revenue (on account of inventory liquidation in international and domestic CP platform). Unfavorable operating leverage impacted the margins during the quarter.
- Non captive revenue grew 19% YoY led by volume growth of ~37% YoY. Prices declined during quarter by 18% YoY. EBITDA increased by 35% YoY led by operating leverage
- Company has entered into JV with Aarti Industries for manufacturing and marketing of specialty chemicals
- Going ahead, company is expecting strong demand outlook within the lubricants and stabilizer sectors.

Working Capital and Debt

- Working capital days declined by 1 day YoY to 121 as of Jun'24, primarily due to reduced inventory (lower by 8 days), which was neutralized by higher receivable days
- Average cost of debt in Q1FY25 stood at 7.5% vs 5.5-6% in 1QFY24
- Rating downgrade resulted in increase of interest cost by 30bps
- The deleveraging guidance of reducing debt by USD300m-400m (ex-Rights issue proceeds) remains intact.
- Quarterly Cash balance has seasonality with major cash coming in Q4 of financial year. This is the reason for low cash balance QoQ.
- Lower factoring this quarter resulted in decline in Interest on leases & others to INR1.9b vs. 2.87b in 1QFY24.
- Net debt stood at USD3.3b as of Jun'24. Adjusted for lower factoring, net debt would have stood at USD3.14b

Guidance and Outlook

- UPLL expects a near-normal year and is confident of delivering the guidance of absolute EBITDA growth of over 50% in FY25 and CFO of USD300-400m enabling them to reduce interest cost and turn PAT positive
- Management expects good growth in profitability in H2FY25 (H2 to be better than H1)
- Company will witness benefit of low cost inventory going ahead
- FY25 revenue is expected to grow by 4-8% largely driven by volume. Company is expecting strong volumes in 2HFY25.
- Larger market such as LATEM, EU and US volume will grow strongly in end of Q2 onwards being closure to their season
- Company expects to witness good volume and sales growth in Brazil from Q3 (season starts from September there)
- The company expects to achieve the 60/40 target of post patent/differentiated and sustainable products
- Company expects high EBITDA growth as contribution margins have come back to previous levels (~40% level) in this quarter
- UPLL sold high cost inventory this quarter (one reason for lower margins) and left with only little quantity to be sold
- There were ~USD10-12m of high cost inventory sold in this quarter
- Prices have largely stabilized (ex 1 insecticide and 1 herbicide) in this quarter. Chinese players are selling at very thin margins which is not sustainable. Company done expect pricing impact like 1Q in quarter going ahead and pricing impact is expected to go away in H2FY25.
- The company doesn't expect the global overcapacity situation to go way in the next 2-3 years.

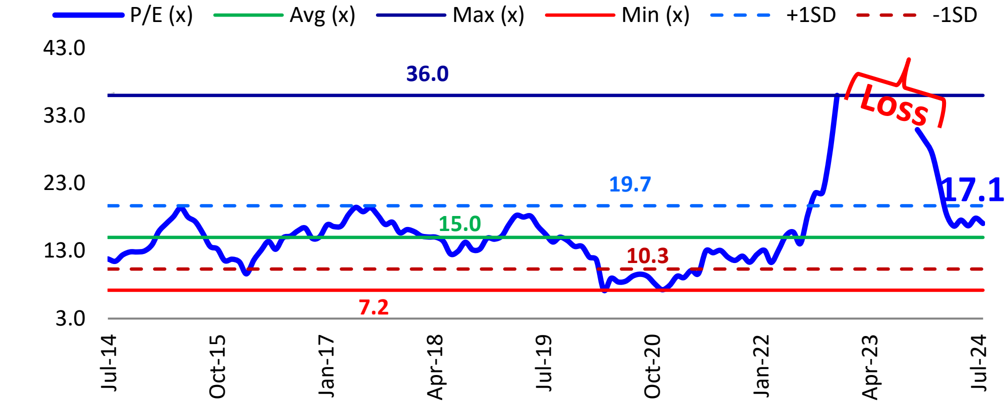
Other highlights

- UPLL is on track to further reduce SG&A expenses and achieve USD100m savings in FY25
- The company is focusing in rationalizing Manpower cost, travel, A&P and other small expenses to reduce cost. Higher manpower during current quarter was due to bonus accruals
- Right Issue: The company is in the process of filing the DRHP. The company will be going under the fast track route to get it done by end of Q3 or mid of Q4. Promoters have underwritten the issue

Valuation and view

- We expect 2HFY25 to witness a recovery in margins aided by the entire high-cost inventory liquidation in 1HFY25, stable agrochemical prices, and demand recovery across the key markets.
- Considering the short-term challenges, cash flow generation and debt repayments remain the key monitorables.
- Despite weak operating performance, we largely maintain our FY25E/FY26E on the back of a strong commentary on outlook and unchanged guidance. **Reiterate Neutral with a TP of INR550 (based on 12x FY26E EPS; ~20% discount to its five-year average, and a one-year forward P/E of 15x)**.

Exhibit 13: One-year forward P/E



Source: MOFSL

Exhibit 14: Changes to our estimates

Particulars	Old		New		Change	
(INR b)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	456	500	457	501	0%	0%
EBITDA	80	94	77	92	-3%	-2%
Adj. PAT	21	35	20	34	-4%	-2%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement (INRm)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	**163**	**174**	**218**	**358**	**387**	**462**	**536**	**431**	**457**	**501**
Change (%)	16.1	6.5	25.7	63.7	8.2	19.5	15.9	-19.6	6.0	9.8
EBITDA	**32**	**35**	**46**	**74**	**86**	**102**	**112**	**55**	**77**	**92**
Margin (%)	19.8	20.2	20.8	20.8	22.3	22.0	20.8	12.8	16.9	18.4
Depreciation	7	7	9	20	22	24	25	28	29	31
EBIT	**26**	**28**	**37**	**54**	**65**	**78**	**86**	**28**	**48**	**61**
Int. and Finance Charges	7	8	10	15	21	23	30	39	35	31
Other Income	4	4	2	1	3	3	5	5	5	4
Exchange diff on trade rec. & payables	2	0	3	3	2	6	10	10	0	0
PBT bef. EO Exp.	**20**	**25**	**27**	**37**	**45**	**52**	**52**	**-16**	**17**	**34**
EO Items	1	1	9	10	3	3	2	3	0	0
PBT after EO Exp.	**19**	**24**	**18**	**28**	**41**	**48**	**50**	**-18**	**17**	**34**
Total Tax	2	3	2	6	7	5	7	-2	5	6
Tax Rate (%)	9.7	11.5	11.3	21.2	16.6	10.9	14.7	11.3	26.8	18.0
Prior Period Items - Income / (Expenses) - Net	0	0	0	0	0	0	0	0	0	0
Share of (profit)/loss of ass. & JV	0	1	0	0	0	-1	-2	2	2	3
Minority Interest	0	0	1	4	6	8	8	-7	-8	-9
Reported PAT	**17**	**20**	**15**	**18**	**29**	**36**	**36**	**-12**	**18**	**34**
Adjusted PAT	**21**	**22**	**25**	**27**	**35**	**49**	**45**	**3**	**20**	**34**
Change (%)	57.7	6.2	11.2	8.4	29.9	39.9	-7.8	-93.7	612.8	72.5
Margin (%)	12.8	12.8	11.3	7.5	9.0	10.5	8.4	0.6	4.4	6.9

Consolidated - Balance Sheet (INRm)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	1	1	1	2	2	2	2	2	2	2
Total Reserves	72	91	146	161	177	215	267	247	254	278
Net Worth	**74**	**92**	**147**	**163**	**179**	**217**	**269**	**248**	**256**	**279**
Minority Interest	0	0	35	33	37	46	56	49	41	32
Total Loans	64	66	291	288	238	259	230	284	259	239
Perpetual bonds	0	0	0	30	30	30	30	30	30	30
Total Loans (Including Perpetual bond)	**64**	**66**	**291**	**318**	**268**	**289**	**260**	**314**	**289**	**269**
Deferred Tax Liabilities	-5	-4	22	28	27	25	25	24	24	24
Capital Employed	**133**	**154**	**495**	**542**	**510**	**576**	**609**	**636**	**610**	**605**
Gross Block	96	106	230	260	281	311	345	370	403	426
Less: Accum. Deprn.	60	66	75	95	117	141	166	194	223	254
Net Fixed Assets	**37**	**40**	**155**	**164**	**164**	**170**	**179**	**176**	**180**	**172**
Goodwill on Consolidation	4	4	166	182	177	184	199	202	202	202
Capital WIP	8	13	19	21	21	25	28	30	16	13
Total Investments	**4**	**10**	**7**	**6**	**6**	**19**	**16**	**22**	**22**	**22**
Curr. Assets, Loans&Adv.	**145**	**157**	**285**	**328**	**337**	**429**	**463**	**446**	**427**	**452**
Inventory	42	45	91	79	94	131	140	128	122	131
Account Receivables	57	61	117	119	126	153	183	164	163	172
Cash and Bank Balance	29	29	29	68	49	61	61	60	50	59
Loans and Advances	18	22	48	63	68	83	80	95	91	90
Curr. Liability & Prov.	**64**	**71**	**137**	**159**	**194**	**250**	**277**	**240**	**236**	**256**
Account Payables	49	57	94	102	125	166	176	157	151	166
Other Current Liabilities	14	13	34	55	60	77	94	76	78	83
Provisions	1	1	9	1	9	8	7	7	7	8
Net Current Assets	**80**	**86**	**148**	**169**	**142**	**178**	**186**	**206**	**190**	**196**
Appl. of Funds	**133**	**154**	**495**	**542**	**510**	**576**	**609**	**636**	**610**	**605**

Financials and valuations

Ratios										
Y/E March	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**
Basic (INR)										
EPS	**27.3**	**29.0**	**32.2**	**34.9**	**45.4**	**63.5**	**58.5**	**3.7**	**26.1**	**45.0**
Cash EPS	36.1	37.8	43.7	61.2	73.8	142.8	139.0	60.3	97.9	129.8
BV/Share	96.7	119.9	192.4	213.0	234.0	429.2	531.8	491.2	506.0	552.9
DPS	7.0	5.4	5.4	6.1	10.2	10.2	10.2	11.2	14.3	14.3
Payout (%)	30.4	20.0	27.1	25.8	26.6	21.1	21.4	-70.1	59.0	31.1
Valuation (x)										
P/E	19.7	18.6	16.7	15.4	11.9	8.5	9.2	146.9	20.6	11.9
Cash P/E	14.9	14.2	12.3	8.8	7.3	3.8	3.9	8.9	5.5	4.1
P/BV	5.6	4.5	2.8	2.5	2.3	1.3	1.0	1.1	1.1	1.0
EV/Sales	2.7	2.5	3.1	1.8	1.6	1.4	1.1	1.5	1.4	1.2
EV/EBITDA	13.6	12.5	14.6	8.8	7.2	6.2	5.4	11.9	8.3	6.6
Dividend Yield (%)	1.3	1.0	1.0	1.1	1.9	1.9	1.9	2.1	2.7	2.7
FCF per share	24.6	19.5	-357.0	90.7	68.6	32.3	33.1	-14.3	80.1	94.3
Return Ratios (%)										
RoE	31.4	26.8	20.6	17.2	20.3	24.5	18.4	1.1	7.9	12.9
RoCE	21.7	19.5	11.6	9.5	12.1	15.1	15.0	5.3	6.9	9.8
RoIC	25.7	26.1	12.0	9.6	12.2	15.4	15.1	4.8	6.7	9.7
Working Capital Ratios										
Fixed Asset Turnover (x)	1.7	1.6	0.9	1.4	1.4	1.5	1.6	1.2	1.1	1.2
Inventory (Days)	194	204	319	156	180	216	190	190	190	190
Debtor (Days)	127	127	195	121	119	121	125	139	130	125
Creditor (Days)	228	255	329	203	239	274	239	234	235	240
Leverage Ratio (x)										
Net Debt (incl perpetual bonds)/Equity	0.5	0.4	1.8	1.5	1.2	1.0	0.7	1.0	0.9	0.7

Consolidated - Cash Flow Statement										(INRm)
Y/E March	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**
OP/(Loss) before Tax	20	25	27	28	42	50	52	-21	17	34
Depreciation	7	7	9	20	22	24	25	28	29	31
Interest & Finance Charges	6	8	10	15	21	23	30	34	35	31
Direct Taxes Paid	-4	-3	-2	-8	-7	-10	-13	-11	-5	-6
(Inc)/Dec in WC	-1	-5	-10	31	-2	-18	-14	-13	6	3
CF from Operations	**28**	**31**	**32**	**85**	**75**	**68**	**81**	**16**	**83**	**93**
Others	-1	-1	-9	3	-3	-4	-3	2	-3	-3
CF from Operating incl EO	**27**	**30**	**24**	**87**	**72**	**65**	**78**	**18**	**80**	**91**
(Inc)/Dec in FA	-8	-16	-291	-19	-21	-41	-53	-29	-20	-20
Free Cash Flow	**18**	**15**	**-268**	**68**	**51**	**24**	**25**	**-11**	**60**	**71**
(Pur)/Sale of Investments	0	-7	3	2	0	-13	3	-5	0	0
Others	-2	3	-21	-9	0	16	35	9	0	0
CF from Investments	**-10**	**-19**	**-309**	**-26**	**-21**	**-38**	**-15**	**-25**	**-20**	**-20**
Issue of Shares	0	-1	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	11	3	225	-29	-42	13	-46	48	-25	-20
Interest Paid	-8	-8	-10	-16	-17	-19	-23	-34	-35	-31
Dividend Paid	-2	-4	-4	-5	-5	-8	-8	-7	-11	-11
Others	0	-1	74	28	-4	-5	15	-5	0	0
CF from Fin. Activity	**1**	**-11**	**285**	**-22**	**-67**	**-19**	**-62**	**1**	**-70**	**-61**
Inc/Dec of Cash	**17**	**0**	**0**	**39**	**-19**	**10**	**2**	**-1**	**-10**	**9**
Opening Balance	12	29	29	29	68	51	59	61	60	50
Closing Balance	**29**	**29**	**29**	**68**	**49**	**61**	**61**	**60**	**50**	**59**

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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