

Rating matrix	
Rating	: Hold
Target	: ₹ 180
Target Period	: 12-18 months
Potential Upside	: 9%

What's changed?	
Target	Changed from ₹ 200 to ₹ 180
EPS FY19E	Changed from ₹ 9.7 to ₹ 8.6
EPS FY20E	Changed from ₹ 11.2 to ₹ 10.6
Rating	Changed from Buy to Hold

Quarterly performance					
	Q3FY19	Q3FY18	YoY (%)	Q2FY19	QoQ (%)
Revenue	417.4	390.2	7.0	653.8	-36.2
EBITDA	27.7	37.5	-26.2	123.4	-77.6
EBITDA (%)	6.6	9.6	-298 bps	18.9	1224 bps
PAT	13.8	24.9	-44.7	85.1	-83.8

Key financials				
₹ Crore	FY17	FY18	FY19E	FY20E
Total Op. Income	1,678.3	1,794.6	2,040.5	2,330.9
EBITDA	263.4	263.1	266.0	338.6
Normalized PAT	170.1	167.1	167.4	206.0
Normalized EPS (₹)	8.7	8.6	8.6	10.6

Valuation summary				
	FY17	FY18	FY19E	FY20E
P/E	18.5	19.2	19.2	15.6
Target P/E	11.8	21.0	20.9	17.0
EV / EBITDA	11.4	11.8	11.6	9.1
P/BV	2.9	2.7	2.5	2.2
RoNW (%)	15.6	14.0	12.9	14.4
RoCE (%)	19.9	19.1	18.2	20.8

Stock data	
Particular	Amount
Market Capitalization	₹ 3209 crore
Total Debt (FY18)	₹ 20 crore
Cash and Investments (FY18)	₹ 138 crore
EV	₹ 3091 crore
52 week H/L	282 / 160
Equity capital	₹ 19.5 crore
Face value	₹ 1
MF Holding (%)	18.8
FII Holding (%)	3.8

Price performance				
	1M	3M	6M	12M
Rallis India	-1.4	-10.8	-12.4	-39.0
PI Industries	0.2	7.9	6.6	-14.2
Dhanuka Agritech	-4.7	3.7	-21.4	-46.2
UPL Ltd	1.5	22.0	37.9	0.2

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Rallis India (RALIND)

₹ 166

Disappointment in margin continues...

- Rallis India reported a subdued Q3FY19 performance. Consolidated revenues in Q3FY19 were at ₹ 417.4 crore, up 7.0% YoY. It was largely realisation led growth with minimal volume growth
- Standalone revenues in Q3FY19 were at ₹ 388.2 crore, up 8.7% YoY. Revenues of subsidiaries (Metahelix, etc.) in the seasonally lean quarter, were at ₹ 29.1 crore, down 11.5% YoY
- Consolidated EBITDA in Q3FY19 came in at ₹ 27.7 crore with corresponding EBITDA margins at 6.6% (down 300 bps YoY). Lower margins were driven by high one-offs amounting to ~₹ 11.6 crore of which ~₹ 2.2 crore started to get reversed in the following quarters
- High one-offs included ~₹ 4.9 crore of excess sales return, ~ ₹ 2.2 crore of debtor write downs, ~₹ 3.0 crore of one-time expenses to absorb new technology & ~₹ 1.4 crore as product write-down
- Consolidated reported PAT in Q3FY19 was at ₹ 13.8 crore
- The company has embarked upon a new capex programme worth ~₹ 800 crore at Dahej over the next five to six years to spend ~₹ 100 crore in Phase 1 and ~₹ 170 crore in Phase 2. It will transform Rallis from a predominant agri-input player, at present, to a speciality chemical player in the domestic as well as global arena

Government focus on augmenting farm income to benefit Rallis India!

Given record food-grain production (~285 million tonne in FY18), the farm fate prices have been soft ("Problem of Plenty") domestically leading to muted farm income. With this, coupled with uneven distribution of rainfall during the monsoon season as well increase in other input costs including labour, farmer profitability has been on a steady decline thereby leading to a nationwide farm distress call. This led to some state governments announcing and implementing farm loan waivers (aggregating more than 1 lakh crore) while others opted for direct transfer of income in the hand of farmers. Key notables were Telangana government's 'Rythu Bandhu Scheme' and 'KALIA Scheme' by the Odisha government. There is a growing feeling the central government is thinking on similar lines wherein they are envisaging replacing the present subsidies regime (aggregating amount spent ~₹ 2 lakh crore) with direct transfer of income (~₹ 15,000/hectare) to the farmer's bank account. We believe such measures will stop leakage in the present subsidy regime with intended beneficiaries getting their fair dues. It will also help increase the farmer's purchasing power towards more quality orientated inputs thereby benefitting all agri input companies including Rallis India.

Yet to deliver on profitable growth; downgrade to HOLD!

PAT growth has largely been missing at Rallis in the last two years with FY17-19E normalised PAT nearly flat despite ~10% sales CAGR. It is primarily driven by a declining margin trajectory driven by competitive pressure in the marketplace as well as an abnormal increase in raw material procurement costs. The company is yet to deliver on raw material costs savings either in the form of alternate sourcing or backward integration. Interestingly, Rallis has embarked on a new capex plan that is likely to change its DNA from an agri input player to a speciality chemical player in next five to six years. However, we will await a better performance in numbers before any meaningful change in our stance. Going forward, we revise our estimates incorporating the 9MFY19 performance. On a consolidated basis, we expect revenues, PAT to grow at a CAGR of 14.0%, 11.0%, respectively, in FY18-20E. We value Rallis at ₹ 180 i.e. 17x P/E on FY20E EPS of ₹ 10.6 with a **HOLD** rating.

Variance analysis

	Q3FY19	Q3FY19E	Q3FY18	YoY (%)	Q2FY19	QoQ (%)	Comments
Total Operating Income	417.4	422.3	390.2	7.0	653.8	-36.2	Sales growth for the quarter was primarily driven by realisations with no meaningful volume growth
Total Raw Material Expenses	252.6	241.0	226.1	11.7	379.7	-33.5	RM expenses came in substantially higher than our estimates due to abnormal increase in raw material imports from China
Employee Cost	44.4	43.8	39.0	14.0	43.5	2.0	
Other operating expense	92.7	92.7	87.6	5.8	107.2	-13.5	Other expenses came in at 22% of sales. However, it includes one-off; a part of which will get reversed in following quarters
Total Expenditure	389.7	377.5	352.7	10.5	530.4	-26.5	
EBITDA	27.7	44.8	37.5	-26.2	123.4	-77.6	EBITDA came in substantially lower tracking muted margin profile
EBITDA Margin (%)	6.6	10.6	9.6	-298 bps	18.9	1224 bps	
Depreciation	12.1	11.7	12.0	0.9	12.0	0.9	
Interest	1.8	0.9	1.2	51.2	0.9		Interest costs was higher tracking higher short-term borrowing due to liquidity crunch in the marketplace
Non Operating Expenses/exceptional item	0.0	0.0	0.0		0.0		
Other Income	5.9	1.5	3.7	59.5	8.9	-33.7	Other income was ahead of estimates
PBT	19.7	33.8	28.0	-29.8	119.4	-83.5	
Taxes	5.9	4.4	3.1	90.6	34.3	-82.9	Tax rate came in higher at 30% of sales
PAT	13.8	29.4	24.9	-44.7	85.1	-83.8	
Minority Interest	0.0	0.0	0.0		0.0		
Net Reported PAT	13.8	29.4	24.9	-44.7	85.1	-83.8	

Key Metrics

Standalone Sales (₹ crore)	388.2	387.0	357.3	8.7	613	-36.7	Standalone sales were driven by price hikes in domestic market and foreign exchange gains in the international markets
Subsidiaries Sales (₹ crore)	29.1	35.4	32.9	-11.5	41	-28.2	Metahelix sales were a tad lower than our estimates

Source: Company, ICICI Direct Research

Change in estimates

(₹ Crore)	FY19E			FY20E			Comments
	Old	New	% Change	Old	New	% Change	
Total Operating Income	2049.2	2,040.5	-0.4	2,297.3	2,330.9	1.5	Largely maintained our sales estimates over FY19 & FY20
EBITDA	291.0	266.0	-8.6	340.3	338.6	-0.5	
EBITDA Margin (%)	14.2	13.0	-117 bps	14.8	14.5	-28 bps	Revised downward our margin estimates due to pressure on costs
Normalized PAT	189.1	167.4	-11.5	217.3	206.0	-5.2	
EPS (₹)	9.7	8.6	-11.5	11.2	10.6	-5.2	Downward revision in margin estimates leads to downward revision on EPS estimates

Source: Company, ICICI Direct Research

Assumptions

	Current						Earlier		Comments
	FY15	FY16	FY17	FY18	FY19E	FY20E	FY19E	FY20E	
Standalone Sales (Incl Crop protection, contract manufacturing)	1,498	1,280	1,382	1,502	1,727	1,987	1,727	1,943	Broadly maintained estimates for FY19E while revising upward our estimates for FY20E, factoring in aggressive capex spend by the company in next 12 months
Subsidiaries Sales (Incl Metahelix & Zero Agro)	303	241	278	292	313	344	322	354	Marginally revised downward our sales estimates for Metahelix

Source: Company, ICICI Direct Research

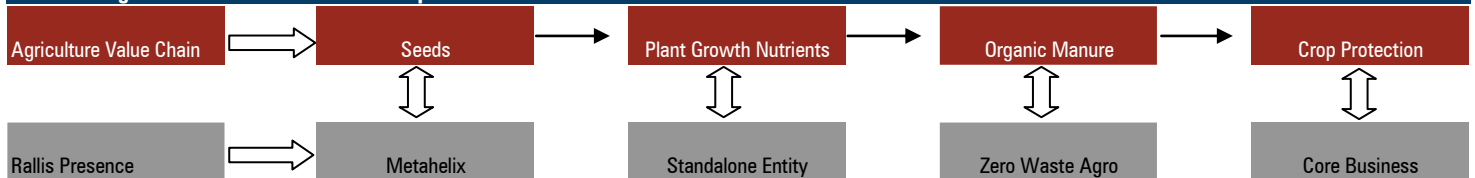
Company Analysis

Rallis India is a market leader in the crop protection (agro-chemical i.e. pesticides) segment domestically. Under the crop protection segment, it manufactures and markets insecticides, herbicides & fungicides. With manufacturing facilities spread across four geographic locations domestically, the company has a capacity of 10,000 tonne of technical grade pesticides and ~30,000 tonne/litre of formulations per annum. Rallis has a strong distribution network with ~2300 dealers and 40,000 retailers, thereby covering ~80% of Indian districts. The company has got transformed from only an insecticide player to a total agro service solution provider. The transformation began in FY11 when it acquired a majority stake in a seed manufacturing company i.e. Metahelix Life Sciences. In FY13, it acquired a majority stake in an organic manure & soil conditioners manufacturing company Zero Waste Agro Organics. Rallis also has an institutional and contract manufacturing arm.

Presence across value chain; Metahelix feather in the cap

Rallis is present across the agricultural value chain ranging from hybrid seeds (through its subsidiary Metahelix) to plant growth nutrients to organic manure & soil conditioners (through its subsidiary Zero Waste Agro Organics) to crop protection (agro chemicals). On a consolidated basis, the company has clocked revenues of ₹ 1659 crore in FY17.

Exhibit 1: Agriculture value chain & Rallis' presence



Source: Company, ICICI Direct Research

Metahelix acquisition details

Particular	Units	FY11	FY12	FY13	FY14	FY16
Stake	%	60.21	75.64	77.02	80.5	100
Incremental Stake	%		15.43	1.38	3.48	19.5
Investment Amount	₹ crore	126.3	158.2	163.7	171	244.3
Incremental Investment	₹ crore		31.9	5.5	7.3	73.3
Metahelix Valuation	₹ crore		206.7	206.7	209.8	375.9

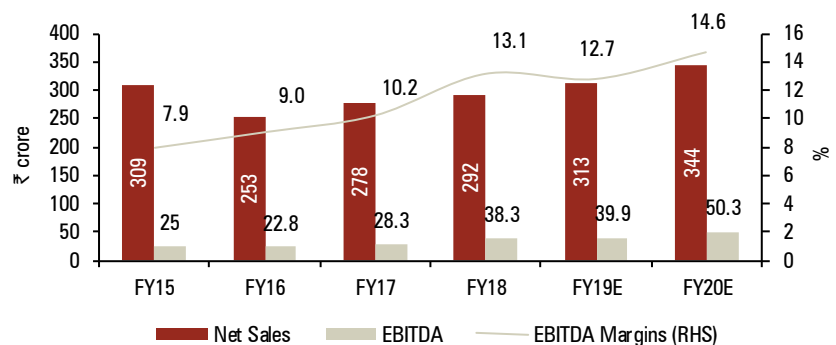
Source: Company, ICICI Direct Research

Topline de-growth in FY16 vs. FY15 on account of change in revenue recognition methodology; largely incorporating the new accounting standards namely IND AS

Metahelix: Hybrid seed researcher & manufacturer, feather in the cap

In FY11, Rallis acquired a 60.2% stake in Metahelix Life Sciences Pvt Ltd for ~₹ 126.3 crore. Thereafter, the company has been increasing its stake in Metahelix at regular intervals with the current stake (FY16) at 100% with a total equity investment of ~₹ 244 crore. Metahelix manufactures hybrid seeds for paddy, bajra and maize among others with main exposure (~60-65%) to the Kharif season. It commands a market share of ~3% in the domestic seed market, the market size of which is pegged at ~₹ 10,000 crore. Going forward, on an absolute basis, we expect sales in this segment to grow to ₹ 344 crore by FY20E (incorporating Ind-As).

Exhibit 2: Metahelix financials



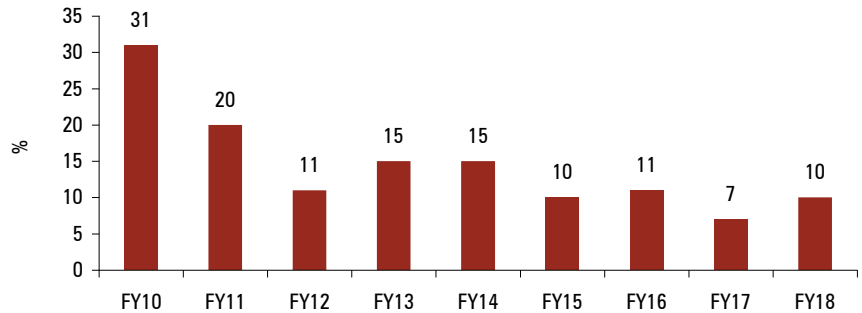
Source: Company, ICICI Direct Research

Going forward, with increasing market share and certain sales related expenses being netted off in the net sales figure, we expect reported EBITDA margins to improve from 13.1% in FY18 to 14.6% in FY20E.

Innovation Turnover Index

Rallis benchmarks its internal performance through an internally defined parameter called Innovation Turnover Index. The parameter basically measures the contribution of new products to the total product mix. It is calculated as the ratio of revenues from products introduced in the last four years to total revenue in the present year.

Exhibit 3: Innovation Turnover Index



Innovation turnover index for FY18 was at 10% vs. 7% in FY17. New product launches in the recent past have started gaining traction among the domestic farming community

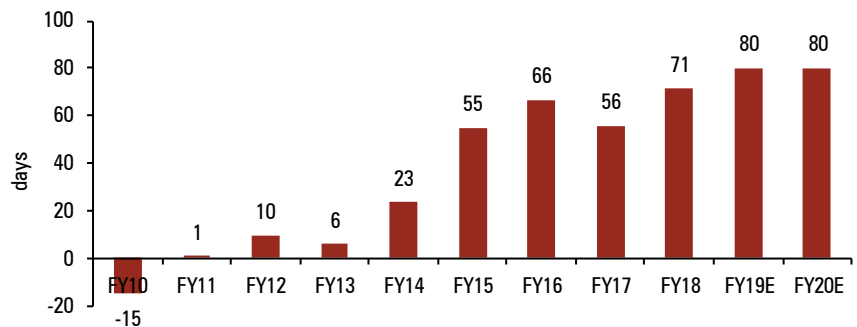
Source: Company, ICICI Direct Research

It is a strong measure highlighting the R&D focus of the company. The greater the product launches in any particular year and their consequent better acceptance in market, greater the innovation index.

Working capital gets stretched in FY18; build in conservative estimates

The working capital management of Rallis is one of the best in the industry wherein its net working capital days were well below 30 days. However, in FY15, on the back of an adverse demand scenario domestically, Rallis' working capital got a bit stretched with net working capital days in FY16 at 66 days. Rallis has, however, improved on the same with net working capital days for FY17 at 56 days.

Exhibit 4: Net working capital days (Rallis India)



Source: Company, ICICI Direct Research

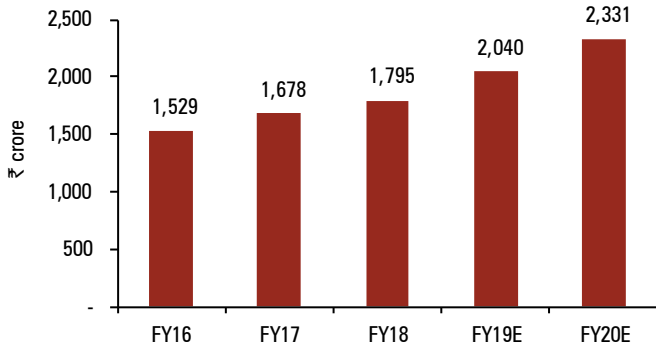
In FY18 on the working capital front, a lengthening was witnessed with net working capital days at 71 days. Increase in inventory was on account of prudent procurement of critical raw materials ahead of key monsoon season amid supply constraints from China. On the debtor front, the company has eased its credit policy amidst tight cash flow position in the market and is expected to be a new normal, going forward.

Therefore, going forward, with increasing share of exports that traditionally requires high working capital, on a conservative basis and incorporating the management commentary, we build in net working capital days at 80 in FY19E and FY20E.

Revenues, EBITDA to grow at 14.0% & 13.4% CAGR in FY18-20E

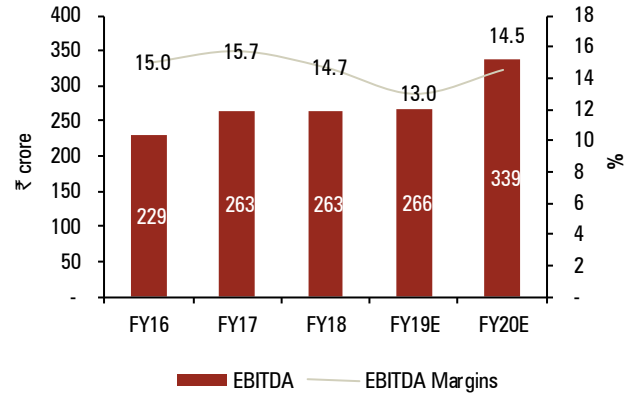
We expect Rallis to clock revenue (consolidated) growth of 14.0% CAGR in FY18-20E. A good product profile coupled with a presence across the agri value chain will aid in sales growth recovery. We expect the company to clock consolidated total operating income of ₹ 2331 crore in FY20E vs. ₹ 1795 crore in FY18.

Exhibit 5: Consolidated revenue trend



Source: Company, ICICI Direct Research

Exhibit 6: Consolidated EBITDA & EBITDA margins trend



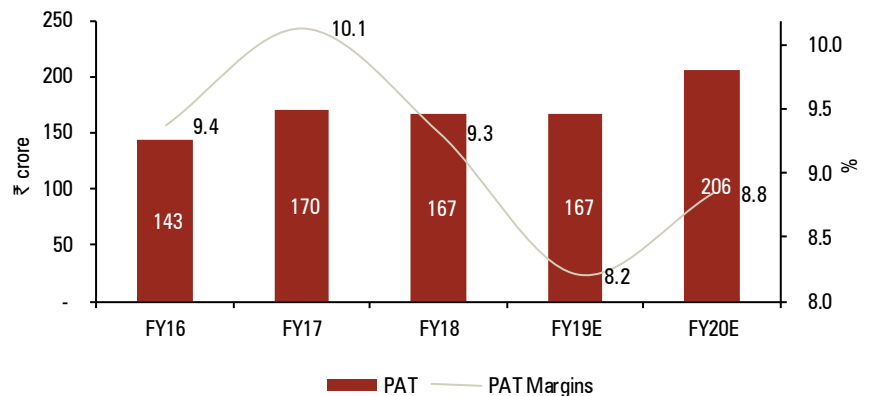
Source: Company, ICICI Direct Research

We expect Rallis' consolidated EBITDA to grow at a CAGR of 13.4% in FY18-20E primarily on the back of improved margins at Metahelix and recovery of margins at its standalone business post a blip in FY18-19E. We expect an EBITDA margin of 13.0% on a consolidated basis in FY19E & consolidated EBITDA margins of 14.5% in FY20E. This is in line with the company's long term strategy to attain EBITDA margins of 20%.

Consolidated PAT to grow at 11.0% CAGR in FY18-20E

We expect consolidated PAT to grow at a CAGR of 11.0% in FY18-20E on the back of increasing sales and steady EBITDA margins post the blip in FY18-19E. PAT margins are also expected at 8.2% in FY19E & 8.8% in FY20E vs. 9.3% in FY18.

Exhibit 7: Consolidated PAT trend



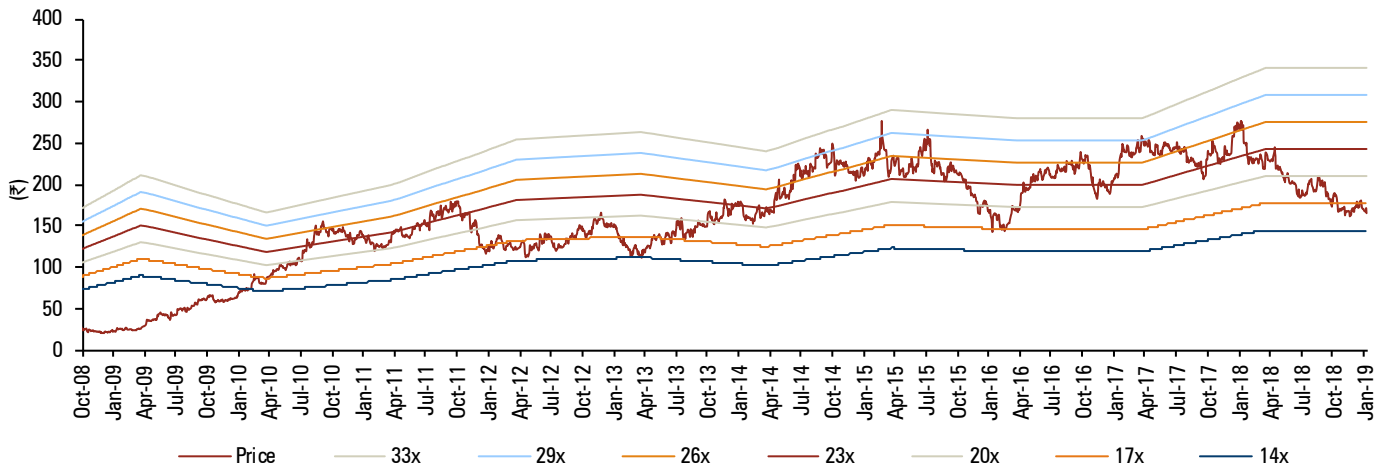
Source: Company, ICICI Direct Research

*FY17; normalized PAT; adjusted for land sale proceeds

Outlook and valuation

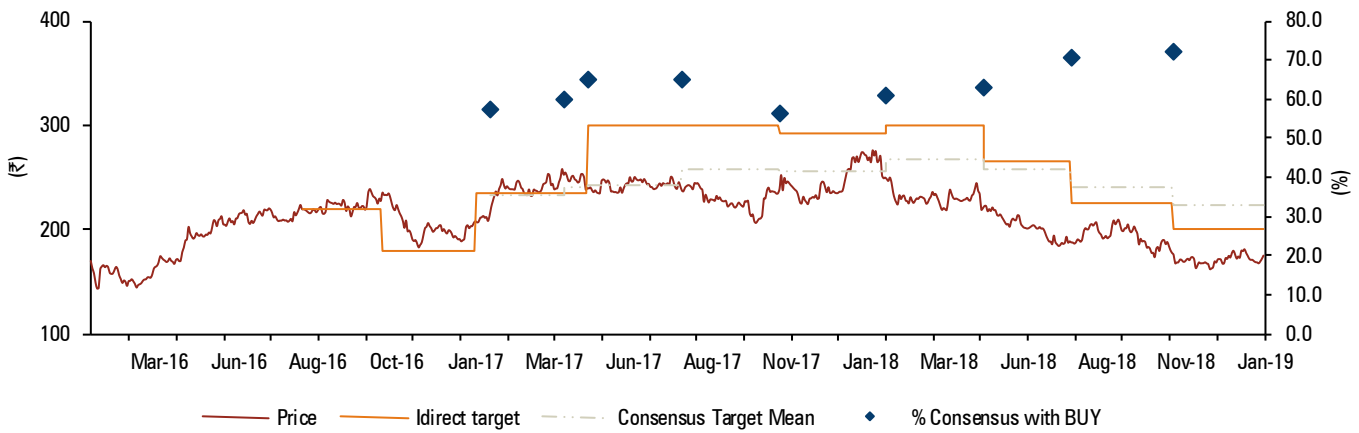
PAT growth has largely been missing at Rallis for the last two years with FY17-19E normalised PAT nearly flat despite ~10% sales CAGR. It is primarily driven by a declining margin trajectory driven by competitive pressure in the market place as well as abnormal increase in raw material procurement costs. The company is yet to deliver on raw material costs savings either in the form of alternate sourcing or backward integration. Interestingly, Rallis has embarked upon a new capex plan that is likely to change its DNA from an agri input player to a speciality chemical player over the next five to six years. However, we will await a better performance in numbers before making any meaningful change in our stance. Going forward, we revise our estimates incorporating the 9MFY19 performance. On a consolidated basis, we expect revenues, PAT to grow at a CAGR of 14.0%, 11.0%, respectively in FY18-20E. We value Rallis at ₹ 180 i.e. 17x P/E on FY20E EPS of ₹ 10.6 with a **HOLD** rating.

Exhibit 8: Two year forward P/E (Rallis currently trading at 15.6x)



Source: Reuters, ICICI Direct Research

Recommendation history vs. Consensus estimate



Source: Bloomberg, Company, ICICI Direct Research

Key events

Date/Year	Event
2008	Central government in February 2008 announces a farm loan waiver scheme wherein the farm loans amounting to ~₹ 70,000 crore were waived off thereby benefiting the small & the marginal farmers. This resulted in the double digit sales growth for the industry & Rallis India in FY09
2009	According to the survey by an independent agency (Gallup) in 2009, Rallis has seven of its products in the top 12 products by customer unaided recall
2010	Company announces bonus share issue in the ratio of 1:2. Share capital increased from ₹ 13 crore to ₹ 19.4 crore (face value ₹ 1/share)
2011	Rallis acquires a majority stake in a seed manufacturing company i.e. Metahelix Life Sciences Pvt Ltd at an enterprise value of ~₹ 186 crore
2012	Rallis India in a conscious effort and strong ethical parentage stopped manufacturing & marketing Red label products. It resulted in a marginal decline in sales worth ~₹ 100 crore in FY11-12
2013	Rallis acquires a majority stake in organic manure & soil conditioners manufacturing company viz. Zero Waste Agro Organics Pvt Ltd
2014	Rallis' farmer focused initiative i.e. Rallis Kisan Kutumb touches over 1.5 million farmer base. The company's MOPU programme also reaches new heights, covering over 3.5 lakh farmers and around 15,000 MT of pulses procured from farmers till date
2015	On the back of subdued monsoons (seasonal deficient of 14% - Kharif 2015) and drop in cotton acreages, Rallis reports subdued Q2FY16 numbers. Standalone sales were down 1% YoY while sales of subsidiaries were down 35% YoY
2016	Company sells surplus land rights in Navi Mumbai to Ikea, realises healthy other income. Monsoon 2016 ends with rainfall at 97% of LPA and thereby being normal in nature. Rainfall was near normal in Northwest & Central India while deficient in Southwest & Eastern India
2017	The company's CRAMS business picks up with Rallis well poised to commence commercial production of 1 molecule. It will usher the next leg of growth at Rallis going forward
2018	The company commences FY19 with a very promising note with topline and bottom line growth for Q1FY19 coming in at ~28% & ~20% respectively.

Source: Company, ICICI Direct Research

Top 10 Shareholders

Rank	Investor Name	Latest Filing Date	% O/S	Position	Position Change
1	Tata Group of Companies	30-Sep-18	50.1	97.3	0.0
2	Jhunjhunwala (Rakesh Radheshyam)	30-Sep-18	9.4	18.3	-0.5
3	HDFC Standard Life Insurance Company Lim	30-Sep-18	3.8	7.4	0.3
4	HDFC Asset Management Co., Ltd.	31-Dec-17	2.8	5.4	2.1
5	Franklin Templeton Asset Management (Ind	30-Sep-18	2.1	4.0	0.1
6	Sundaram Asset Management Company Lin	30-Sep-18	1.5	3.0	0.0
7	SBI Funds Management Pvt. Ltd.	30-Sep-18	1.4	2.6	0.1
8	Aditya Birla Sun Life AMC Limited	30-Sep-18	1.2	2.3	0.0
9	Invesco Asset Management (India) Private I	30-Nov-18	1.1	2.1	0.1
10	BlackRock Institutional Trust Company, N.A	31-Dec-18	0.9	1.8	0.0

Source: Reuters, ICICI Direct Research

Shareholding Pattern

(in %)	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Promoter	50.1	50.1	50.1	50.1	50.1
FII	3.9	3.9	4.0	4.1	3.9
DII	16.6	18.4	17.3	16.9	18.8
Others	29.4	27.6	28.6	29.0	27.2

Recent Activity

Buys			Sells		
Investor Name	Value (US\$ M)	Shares (M)	Investor Name	Value (US\$ M)	Shares (M)
HDFC Standard Life Insurance Company Limited	0.9	0.3	Jhunjhunwala (Rakesh Radheshyam)	-1.3	-0.5
SBI Funds Management Pvt. Ltd.	0.4	0.1	Baroda Asset Management India Ltd	-0.7	-0.3
Invesco Asset Management (India) Private Limited	0.3	0.1	Northern Trust Investments, Inc.	0.0	0.0
Franklin Templeton Asset Management (India) Pvt. Ltd.	0.2	0.1	Mellon Investments Corporation	0.0	0.0
Van Eck Associates Corporation	0.0	0.0	BlackRock Advisors (UK) Limited	0.0	0.0

Source: Reuters, ICICI Direct Research

Financial summary (Consolidated)

Profit and loss statement		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Total Operating Income	1678.3	1794.6	2040.5	2330.9	
Growth (%)	9.8	6.9	13.7	14.2	
Raw Material Expenses	950.5	1,021.9	1,208.3	1,363.9	
Employee Expenses	146.4	164.9	178.8	195.5	
Other Operating Expense	318.1	344.8	387.3	432.9	
Total Operating Expenditure	1,415.0	1,531.6	1,774.5	1,992.3	
EBITDA	263.4	263.1	266.0	338.6	
Growth (%)	15.0	-0.1	1.1	27.3	
Depreciation	47.3	46.1	47.7	53.8	
Interest	7.3	4.3	5.4	6.7	
Other Income	12.8	14.4	21.0	16.3	
PBT	221.6	227.0	233.9	294.3	
Exceptional Item	158.4	0.0	0.0	0.0	
Total Tax	82.9	59.9	66.5	88.3	
PAT	297.1	167.1	167.4	206.0	
Minority Interest	0.0	0.0	0.0	0.0	
Reported Net Profit	297.1	167.1	167.4	206.0	
Normalized Net Profit	170.1	167.1	167.4	206.0	
Growth (%)	18.7	-1.7	0.2	23.1	
Normalized EPS (₹)	8.7	8.6	8.6	10.6	

Source: Company, ICICI Direct Research

Balance sheet		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Liabilities					
Equity Capital	19.5	19.5	19.5	19.5	
Reserve and Surplus	1,091.7	1,171.1	1,280.2	1,416.2	
Total Shareholders funds	1,111.2	1,190.6	1,299.6	1,435.6	
Total Debt	39.0	20.0	14.9	12.9	
Deferred Tax Liability	49.8	40.5	40.5	40.5	
Minority Interest / Others	6.1	7.2	7.2	7.2	
Total Liabilities	1,206.1	1,258.3	1,362.3	1,496.2	
Assets					
Gross Block	679.6	740.7	818.0	918.0	
Less: Acc Depreciation	316.8	362.9	410.5	464.4	
Net Block	362.8	377.8	407.5	453.7	
Capital WIP	42.2	47.3	70.0	70.0	
Total Fixed Assets	405.0	425.1	477.5	523.7	
Liquid Investments	226.3	104.5	124.5	124.5	
Other Investments	18.7	4.4	4.4	4.4	
Goodwill on Consolidation	195.8	195.8	195.8	195.8	
Inventory	394.4	572.2	614.9	702.4	
Debtors	259.6	399.7	503.1	574.7	
Loans and Advances	115.0	165.0	132.6	151.5	
Other Current Assets	0.7	5.6	2.0	2.3	
Cash	9.8	33.4	17.6	29.2	
Total Current Assets	779.5	1,175.9	1,270.3	1,460.2	
Creditors	401.4	620.7	670.8	766.3	
Provisions	121.1	119.6	132.3	138.9	
Current Liabilities & Prov	522.5	740.3	803.1	905.2	
Net Current Assets	257.0	435.6	467.3	555.0	
Others Assets	103.3	92.9	92.9	92.9	
Application of Funds	1,206.1	1,258.3	1,362.3	1,496.2	

Source: Company, ICICI Direct Research

Cash flow statement		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Normalized PAT	170.1	167.1	167.4	206.0	
Add: Depreciation	47.3	46.1	47.7	53.8	
(Inc)/dec in Current Assets	-9.0	-372.8	-110.2	-178.3	
Inc/(dec) in CL and Provisions	52.4	217.8	62.8	102.1	
Others	7.3	4.3	5.4	6.7	
CF from operating activities	268.0	62.5	173.1	190.3	
(Inc)/dec in Investments	-214.5	121.8	-20.0	0.0	
(Inc)/dec in Fixed Assets	83.8	-66.2	-100.0	-100.0	
Others	-2.9	16.6	0.0	0.0	
CF from investing activities	-133.6	72.2	-120.0	-100.0	
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	-50.7	-19.0	-5.1	-2.1	
Dividend paid & dividend tax	-87.5	-58.4	-58.4	-70.0	
Inc/(dec) in Share Cap	0.0	0.0	0.0	0.0	
Others	5.9	-33.7	-5.4	-6.7	
CF from financing activities	-132.3	-111.1	-68.9	-78.8	
Net Cash flow	2.1	23.6	-15.8	11.6	
Opening Cash	7.7	9.8	33.4	17.6	
Closing Cash	9.8	33.4	17.6	29.2	

Source: Company, ICICI Direct Research

Key ratios					
(Year-end March)	FY17	FY18	FY19E	FY20E	
Per share data (₹)					
EPS	8.7	8.6	8.6	10.6	
Cash EPS	17.7	11.0	11.1	13.4	
BV	57.1	61.2	66.8	73.8	
DPS	3.8	2.5	2.5	3.0	
Cash Per Share (Incl Invst)	0.5	1.7	0.9	1.5	
Operating Ratios (%)					
EBITDA Margin	15.7	14.7	13.0	14.5	
PBT / Total Op. income	13.2	12.6	11.5	12.6	
PAT Margin	10.1	9.3	8.2	8.8	
Inventory days	86.8	116.4	110.0	110.0	
Debtor days	57.1	81.3	90.0	90.0	
Creditor days	88.3	126.2	120.0	120.0	
Return Ratios (%)					
RoE	15.6	14.0	12.9	14.4	
RoCE	19.9	19.1	18.2	20.8	
RoIC	34.2	27.5	25.2	28.7	
Valuation Ratios (x)					
P/E	18.5	19.2	19.2	15.6	
EV / EBITDA	11.4	11.8	11.6	9.1	
EV / Net Sales	1.8	1.7	1.5	1.3	
Market Cap / Sales	1.9	1.8	1.6	1.4	
Price to Book Value	2.9	2.7	2.5	2.2	
Solvency Ratios					
Debt/EBITDA	0.1	0.1	0.1	0.0	
Debt / Equity	0.0	0.0	0.0	0.0	
Current Ratio	1.5	1.6	1.6	1.6	
Quick Ratio	0.7	0.8	0.8	0.8	

Source: Company, ICICI Direct Research

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