

# Coromandel International

BSE SENSEX  
48,564

S&P CNX  
14,281

**CMP: INR823 TP: INR1,090 (+32%)**

**Buy**



## Stock Info

Bloomberg	CRIN IN
Equity Shares (m)	292
M.Cap.(INRb)/(USD\$b)	241.4 / 3.3
52-Week Range (INR)	880 / 444
1, 6, 12 Rel. Per (%)	2/-25/24
12M Avg Val (INR M)	424
Free float (%)	42.4

## Financials Snapshot (INR b)

Y/E Mar	2021E	2022E	2023E
Sales	146.9	158.8	173.0
EBITDA	22.0	23.3	25.6
PAT	14.7	16.0	17.7
EBITDA (%)	14.9	14.7	14.8
EPS (INR)	50.3	54.7	60.5
EPS Gr. (%)	38.3	8.8	10.7
BV/Sh. (INR)	181	216	255

## Ratios

Net D/E	0.1	0.0	(0.0)
RoE (%)	30.6	27.5	25.7
RoCE (%)	26.2	25.8	24.6
Payout (%)	33.4	35.1	35.7

## Valuations

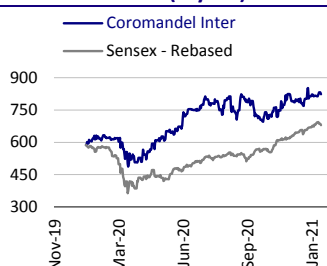
P/E (x)	16.3	15.0	13.6
EV/EBITDA (x)	4.5	3.8	3.2
Div Yield (%)	1.7	1.9	2.2
FCF Yield (%)	7.7	3.4	4.0

## Shareholding pattern (%)

As On	Dec-20	Sep-20	Dec-19
Promoter	57.6	59.6	61.7
DII	19.2	19.7	18.5
FII	7.0	5.9	3.5
Others	16.2	14.9	16.3

FII Includes depository receipts

## Stock Performance (1-year)



## 2HFY21 looks promising owing to better rabi season

### Long-term story intact

In this report, we have analyzed the sowing movement in CRIN's key states and corresponding fertilizer volume data. Here are the key highlights:

- NPK fertilizer is driving overall manufacturing volumes, with double-digit growth in key states in 3QFY21 (as per the Ministry of Fertilizers).
- AP, Telangana, and Maharashtra would lead NPK fertilizer's growth.
- An increase in rabi paddy and chilly sowing acreage in CRIN's key markets would prove beneficial.

### Strong volume growth continues

- As per data from the Ministry of Fertilizers, CRIN's overall volumes in 3QFY21 grew 21% YoY, driven by 128% YoY growth in trading volumes, whereas manufacturing volumes de-grew 3% YoY.
- Total phosphatic fertilizer volumes grew 8% YoY; growth was seen despite strong growth of 27% in the base quarter. Growth in the current quarter is driven by 13% YoY growth in NPK fertilizer, whereas DAP has de-grown 14% YoY. Manufacturing DAP volumes declined 62% YoY, whereas trading volumes increased 508% YoY in 3QFY21. NPK volumes grew 13% YoY on account of 6% YoY growth in manufacturing volumes and trading volumes of 43,423mt – which were absent in the base quarter. Traded volumes of urea and MOP grew 17% and 104% YoY, respectively.

### NPK fertilizer sees double-digit growth across key states, ex-Karnataka

- CRIN's key markets are Andhra Pradesh (AP), Telangana, Maharashtra, Karnataka, West Bengal, and Odisha. These six states account for 94% of CRIN's NPK/DAP volumes and 84% of its overall volumes (as of FY20).
- CRIN's overall fertilizer volumes in AP (which formed 31% of DAP + NPK volumes as of FY20) grew 18% YoY in 3QFY21, driven by 9% growth in phosphatic fertilizer and 126% YoY growth in urea. Within phosphatic fertilizer, NPK volumes grew 11% YoY, whereas DAP declined 4% YoY.
- In Telangana as well (which forms 28% of CRIN's NPK/DAP volumes), overall volume growth of 26% YoY was driven by phosphatic fertilizer (+12% YoY) and urea (+140% YoY). Within phosphatic fertilizer, NPK volumes grew 20% YoY, whereas DAP declined 23% YoY.
- Volume growth in Maharashtra (which forms 13% of CRIN's NPK/DAP volumes) was the highest v/s other key markets at 54% YoY. Overall volume growth was driven by phosphatic (+13% YoY), urea (+108% YoY), SSP (+226% YoY), and MOP (+512% YoY). Within phosphatic fertilizer, NPK volumes grew 23% YoY, whereas DAP declined 23% YoY.
- In Karnataka (which forms 11% of CRIN's NPK/DAP volumes), overall volumes grew 18%, driven by 117% YoY growth in urea, whereas phosphatic fertilizer volumes declined 10% YoY.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- West Bengal (which forms 7% of CRIN's NPK/DAP volumes), overall volumes grew 43% YoY, driven by 317% YoY growth in urea and 14% YoY growth in phosphatic fertilizer. Within phosphatic fertilizer, NPK volumes grew 18% YoY, whereas DAP declined 77% YoY.

#### **Increasing rabi acreage to support CRIN's growth in 2HFY21**

- The above-mentioned five key states (Maharashtra, AP, Telangana, West Bengal, Karnataka, and Odisha) – which contribute the majority to CRIN's sales volumes – reported marginal cumulative rabi acreage growth of 0.2% YoY in FY21 (as on 15<sup>th</sup> Jan'2021). Wheat/Rice rabi acreage increased 8% / 14% YoY, whereas jowar/maize acreage fell 9%/5%.
- Maharashtra saw the highest increase in rabi sowing acreage in FY21 – 7% YoY to 5.46m-ha. Growth in acreage in Maharashtra was driven by increased sowing of maize (+44% YoY), pulses (+16% YoY), and wheat (+12% YoY). On the other hand, jowar acreage fell by 10% YoY to 1.6m-ha.
- AP posted a drop in sowing in rabi, and area under sowing acreage dropped by 10% YoY to 1.5m-ha in FY21. Major crops that contributed to the drop include jowar (dropped 38% YoY), maize (dropped 39% YoY), pulses (dropped 14% YoY), and oilseeds (dropped 20% YoY). Rice was the only major crop (33% of total area under coverage) wherein an increase in sowing acreage was reported in AP. Additionally, rice rabi sowing increased 14% YoY to 0.53m-ha. As per our channel checks, chilly sowing acreage in AP increased ~15%.
- Telangana was another state to post decline in rabi acreage by 14% YoY to 0.56m-ha. The drop in acreage was primarily attributable to a plunge in maize and pulses by 54% YoY and 17% YoY, respectively. However, the decrease in overall rabi acreage was offset by an increase in rice sowing by 11% YoY (59% of the total area under coverage). As per our channel checks, chilly sowing acreage has increased 20–25% in Telangana.
- Overall, pan-India rabi sowing increased 2% YoY to 65.2m-ha in FY21 (v/s ~64.2m-ha in FY20). Growth in acreage was majorly driven by increased sowing of wheat (+2% YoY), followed by rice (+5% YoY), pulses (+2% YoY), and oilseeds (+5%). Coarse Cereals sowing acreage plunged by 8% YoY, coupled with a drop in jowar and maize acreages by 10% and 5% YoY, respectively.

#### **Valuation and view**

- We believe the earnings growth momentum is likely to sustain in 3QFY21. We expect CRIN to report revenue / EBITDA / adj. PAT growth of 15%/17%/29% YoY to INR37.7b/INR5.4b/INR3.4b in 3QFY21 on the back of a strong on-going rabi season. We expect Manufacturing EBITDA/mt to grow 10% YoY to INR4,200/mt in 3QFY21. Absolute EBITDA from the Trading segment would grow 5.8x YoY on account of higher volumes and better trading margins.
- We believe key levers, which would drive growth for CRIN going forward, are: (i) a focus on increasing penetration in CRIN's existing markets, (ii) debottlenecking to increase capacity, (iii) CRIN's efforts to find a way to lower the cost of raw material (rock) while maintaining the same level of quality, and to establish an alternative sourcing destination (which would aid in saving cost), (iv) the launch of 3–4 molecules in the Crop Protection segment, (v) inorganic growth, and (vi)

retail – focusing on profitable growth in the Retail business by reorganizing retail stores depending on the consumption pattern.

- The structural story remains intact with regard to increasing farmers' awareness about having balanced nutrients in crops. This is likely to aid the shift from urea to complex fertilizers, and CRIN thus stands to be a key beneficiary. However, the key monitorable in the near future shall be RM prices.
- We expect a revenue/EBITDA/PAT CAGR of 10%/14%/19% over FY20–23E. We value CRIN at 18x FY23E EPS to arrive at TP of INR1,090. Maintain **Buy**.

#### Exhibit 1: Quarterly volume trend (MT)

	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	9MFY20	9MFY21
<b>Manufactured</b>									
NPK	3,50,000	10,42,000	6,30,000	5,80,000	6,30,000	9,37,000	6,66,635	20,22,000	22,33,635
Growth %	-16.7%	2.2%	26.0%	23.4%	80.0%	-10.1%	5.8%	4.4%	10.5%
DAP	90,000	1,60,000	1,10,000	1,00,000	1,40,000	16,000	42,334	3,60,000	1,98,334
Growth %	-35.7%	77.8%	450.0%	0.0%	55.6%	-90.0%	-61.5%	44.7%	-44.9%
SSP	1,20,000	1,94,000	1,50,000	1,10,000	1,30,000	2,02,000	1,58,360	4,64,000	4,90,360
Growth %	9.1%	14.1%	0.0%	-15.4%	8.3%	4.1%	5.6%	6.9%	5.7%
<b>Total Mfg</b>	<b>5,60,000</b>	<b>13,96,000</b>	<b>8,90,000</b>	<b>7,90,000</b>	<b>9,00,000</b>	<b>11,55,000</b>	<b>8,67,329</b>	<b>28,46,000</b>	<b>29,22,329</b>
Growth %	-16.4%	9.1%	32.8%	12.9%	60.7%	-17.3%	-2.5%	8.7%	2.7%
<b>Traded</b>									
MOP	20,000	66,000	40,000	50,000	30,000	81,000	46,791	1,26,000	1,57,791
Growth %	0.0%	65.0%	0.0%	66.7%	50.0%	22.7%	17.0%	27.0%	25.2%
DAP Traded	30,000	18,000	10,000	10,000	60,000	1,65,000	60,788	58,000	2,85,788
Growth %	-25.0%	-86.2%	-85.7%	-66.7%	100.0%	816.7%	507.9%	-76.0%	392.7%
NPK Traded	0	0	0	0	0	0	43,423	0	43,423
Growth %	-	-	-	0.0%	-	-	-	NA	NA
Urea	70,000	1,48,000	1,50,000	1,10,000	60,000	1,92,000	3,05,327	3,68,000	5,57,327
Growth %	0.0%	-63.0%	-40.0%	-54.2%	-14.3%	29.7%	103.6%	-49.7%	51.4%
<b>Total Trading</b>	<b>1,20,000</b>	<b>2,32,000</b>	<b>2,00,000</b>	<b>1,70,000</b>	<b>1,50,000</b>	<b>4,38,000</b>	<b>4,56,329</b>	<b>5,52,000</b>	<b>10,44,329</b>
Growth %	-7.7%	-59.3%	-44.4%	-43.3%	25.0%	88.8%	128.2%	-48.5%	89.2%
<b>Total - Mfg + Trading</b>	<b>6,80,000</b>	<b>16,28,000</b>	<b>10,90,000</b>	<b>9,60,000</b>	<b>10,50,000</b>	<b>15,93,000</b>	<b>13,23,658</b>	<b>33,98,000</b>	<b>39,66,658</b>
Growth %	-15.0%	-12.0%	5.8%	-4.0%	54.4%	-2.1%	21.4%	-8.0%	16.7%

Source: Department of Fertilizer, MOFSL

#### Exhibit 2: Andhra Pradesh forms 31% of CRIN's NPK + DAP sales

Volume (MT)	3QFY20	3QFY21	Change % YoY
<b>Manufactured</b>			
NPK	2,63,246	2,81,944	7%
DAP	48,290	28,252	-41%
SSP	27,566	25,992	-6%
<b>Total - Manufacturing</b>	<b>3,39,102</b>	<b>3,36,188</b>	<b>-1%</b>
<b>Traded</b>			
MOP	19,815	20,741	5%
DAP	1,361	19,394	1325%
NPK	0	10,188	
Urea	34,655	78,467	126%
<b>Total - Trading</b>	<b>55,831</b>	<b>1,28,790</b>	<b>131%</b>
<b>NPK - Mfg + Trading</b>	<b>2,63,246</b>	<b>2,92,132</b>	<b>11%</b>
<b>DAP - Mfg + Trading</b>	<b>49,651</b>	<b>47,645</b>	<b>-4%</b>
<b>Phosphatic - Mfg + Trading</b>	<b>3,12,897</b>	<b>3,39,778</b>	<b>9%</b>
<b>Total - Mfg + Trading</b>	<b>3,94,933</b>	<b>4,64,978</b>	<b>18%</b>

Source: MOFSL, Department of fertilizer

**Exhibit 3: Telangana forms 28% of CRIN's NPK + DAP sales**

Volume (MT)	3QFY20	3QFY21	Change % YoY
<b>Manufactured</b>			
NPK	1,49,327	1,77,752	19%
DAP	32,052	10,146	-68%
SSP	7,386	7,576	3%
Total - Manufacturing	1,88,765	1,95,473	4%
<b>Traded</b>			
MOP	7,277	6,739	-7%
DAP	783	15,266	1850%
NPK		1,006	
Urea	24,899	59,835	140%
Total - Trading	32,958	82,846	151%
NPK - Mfg + Trading	1,49,327	1,78,758	20%
DAP - Mfg + Trading	32,835	25,412	-23%
Phosphatic - Mfg + Trading	1,82,162	2,04,170	12%
Total - Mfg + Trading	2,21,724	2,78,319	26%

Source: MOFSL, Department of fertilizer

**Exhibit 4: Maharashtra forms 13% of CRIN's NPK + DAP sales**

Volume (MT)	3QFY20	3QFY21	Change % YoY
<b>Manufactured</b>			
NPK	42,220	41,036	-3%
DAP	11,533	1,822	-84%
SSP	6,881	22,455	226%
Total - Manufacturing	60,634	65,313	8%
<b>Traded</b>			
MOP	947	5,796	512%
DAP	121	7,139	5812%
NPK		11,026	
Urea	10,606	22,086	108%
Total - Trading	11,674	46,047	294%
NPK - Mfg + Trading	42,220	52,062	23%
DAP - Mfg + Trading	11,654	8,961	-23%
Phosphatic - Mfg + Trading	53,874	61,023	13%
Total - Mfg + Trading	72,308	1,11,360	54%

Source: MOFSL, Department of fertilizer

**Exhibit 5: Karnataka forms 11% of CRIN's NPK + DAP sales**

Volume (MT)	3QFY20	3QFY21	Change % YoY
<b>Manufactured</b>			
NPK	58,282	40,552	-30%
DAP	3,048	1,307	-57%
SSP	4,374	5,179	18%
Total - Manufacturing	65,704	47,038	-28%
<b>Traded</b>			
MOP	2,888	2,436	-16%
DAP	1,370	2,975	117%
NPK Traded		11,892	
Urea	18,281	39,692	117%
Total - Trading	22,540	56,994	153%
NPK - Mfg + Trading	58,282	52,444	-10%
DAP - Mfg + Trading	4,418	4,282	-3%
Phosphatic - Mfg + Trading	62,700	56,726	-10%
Total - Mfg + Trading	88,244	1,04,033	18%

Source: MOFSL, Department of fertilizer

**Exhibit 6: West Bengal forms 7% of CRIN's NPK + DAP sales**

Volume (MT)	3QFY20	3QFY21	Change % YoY
<b>Manufactured</b>			
NPK	75,202	80,110	7%
DAP	2,921	525	-82%
SSP	494	3	-99%
Total - Manufacturing	78,617	80,639	3%
<b>Traded</b>			
MOP	1,694	3,138	85%
DAP	500	277	-45%
NPK		8,682	
Urea	8,419	35,086	317%
Total - Trading	10,612	47,183	345%
NPK - Mfg + Trading	75,202	88,793	18%
DAP - Mfg + Trading	3,421	802	-77%
Phosphatic - Mfg + Trading	78,623	89,595	14%
Total - Mfg + Trading	89,229	1,27,822	43%

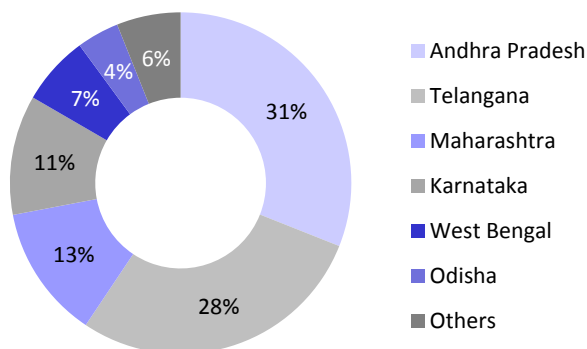
Source: MOFSL, Department of fertilizer

**Exhibit 7: Odisha forms 7% of CRIN's NPK + DAP sales**

Volume (MT)	3QFY20	3QFY21	Change % YoY
<b>Manufactured</b>			
NPK	10,677	13,301	25%
DAP			
SSP			
Total - Manufacturing	10,677	13,301	25%
<b>Traded</b>			
MOP	39	252	540%
DAP			
NPK			
Urea	167	4,927	2854%
Total - Trading	206	5,179	2412%
NPK - Mfg + Trading	10,677	13,301	25%
DAP - Mfg + Trading	0	0	#DIV/0!
Phosphatic - Mfg + Trading	10,677	13,301	25%
Total - Mfg + Trading	10,883	18,479	70%

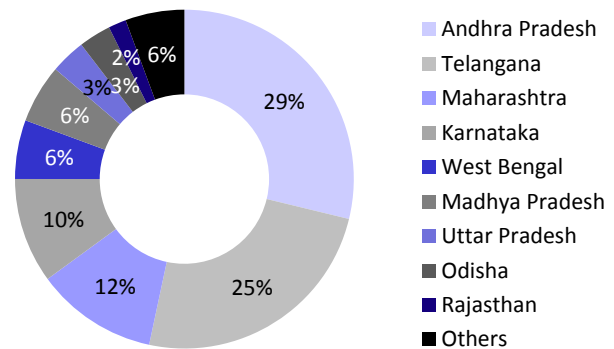
Source: MOFSL, Department of fertilizer

**Exhibit 8: Six key states contribute 94% to DAP/NPK volumes (FY20) for CRIN**



Others include: Madhya Pradesh, Chhattisgarh, Tamil Nadu, Bihar Uttar Pradesh & Puducherry Source: Agricoop, MOFSL

**Exhibit 9: CRIN's state-wise fertilizer volume mix (FY20)**



Others include: Tamil Nadu, Chhattisgarh, Bihar, Gujarat, Punjab, Haryana, Uttarakhand and Puducherry Source: Agricoop, MOFSL

**Exhibit 10: AP sowing area drops sharply by 10% YoY**

(Area in lac-ha)	Normal area (DES)	2020-21	2019-20	Growth YoY %
Wheat	-	-	-	NA
Rice	6.9	5.3	4.7	14%
Pulses	9.8	7.3	8.5	-14%
Coarse Cereals	3.0	1.6	2.6	-38%
Jowar	1.1	0.7	1.1	-38%
Maize	1.8	0.9	1.5	-39%
Other Coarse cereals	0.0	0.0	0.0	-9%
Oilseeds	1.4	0.7	0.9	-20%
<b>Total</b>	<b>21.0</b>	<b>15.0</b>	<b>16.7</b>	<b>-10%</b>

Source: Agricoop, MOFSL

**Exhibit 11: Maharashtra reports sharp growth of 7%**

(Area in lac-ha)	Normal area (DES)	2020-21	2019-20	Growth YoY %
Wheat	10.2	10.5	9.3	12%
Rice	0.4	0.0	0.0	NA
Pulses	18.1	24.8	21.5	16%
Coarse Cereals	24.0	18.9	19.7	-4%
Jowar	20.8	15.9	17.6	-10%
Maize	3.1	2.9	2.0	44%
Other Coarse cereals	0.1	0.1	0.1	-7%
Oilseeds	1.9	0.4	0.4	4%
<b>Total</b>	<b>54.6</b>	<b>54.6</b>	<b>50.9</b>	<b>7%</b>

Source: Agricoop, MOFSL

**Exhibit 12: Marginal growth in sowing coverage in WB**

(Area in lac-ha)	Normal area (DES)	2020-21	2019-20	Growth YoY %
Wheat	2.5	1.9	1.9	4%
Rice	12.9	0.6	0.5	31%
Pulses	2.9	3.3	3.3	-1%
Coarse Cereals	1.5	1.3	1.3	4%
Jowar	0.0	0.0	0.0	NA
Maize	1.4	1.3	1.3	4%
Other Coarse cereals	0.0	0.0	0.0	-50%
Oilseeds	8.4	6.0	6.0	0%
<b>Total</b>	<b>28.0</b>	<b>13.1</b>	<b>12.9</b>	<b>1%</b>

Source: Agricoop, MOFSL

**Exhibit 13: Strong de-growth in coverage in Telangana**

(Area in lac-ha)	Normal area (DES)	2020-21	2019-20	Growth YoY %
Wheat	-	-	-	NA
Rice	6.5	2.8	2.5	11%
Pulses	1.1	1.3	1.5	-17%
Coarse Cereals	1.8	0.6	1.2	-49%
Jowar	0.3	0.1	0.1	-5%
Maize	1.5	0.5	1.1	-54%
Other Coarse cereals	0.0	0.0	0.0	-50%
Oilseeds	1.6	0.9	1.2	-28%
<b>Total</b>	<b>11.0</b>	<b>5.6</b>	<b>6.5</b>	<b>-14%</b>

Source: Agricoop, MOFSL

**Exhibit 14: Slight de-growth due to lower maize under coverage in Karnataka**

(Area in lac-ha)	Normal area (DES)	2020-21	2019-20	Growth YoY %
Wheat	1.8	1.9	2.0	-4%
Rice	1.9	0.1	0.1	9%
Pulses	13.0	12.9	13.5	-4%
Coarse Cereals	10.4	8.7	9.2	-5%
Jowar	9.2	7.6	8.0	-5%
Maize	1.2	0.8	0.9	-12%
Other Coarse cereals	0.0	0.3	0.3	38%
Oilseeds	3.2	2.3	2.1	9%
<b>Total</b>	<b>30.3</b>	<b>25.9</b>	<b>26.8</b>	<b>-3%</b>

Source: Agricoop, MOFSL

**Exhibit 15: Odisha rabi acreage remains stagnant YoY**

(Area in lac-ha)	Normal area (DES)	2020-21	2019-20	Growth YoY %
Wheat	-	-	-	NA
Rice	2.5	0.3	0.2	33%
Pulses	3.4	9.1	9.3	-2%
Coarse Cereals	0.0	0.1	0.1	-15%
Jowar	0.0	0.0	0.0	NA
Maize	0.0	0.1	0.1	-18%
Other Coarse cereals	0.0	0.0	0.0	27%
Oilseeds	0.8	2.1	2.0	5%
<b>Total</b>	<b>6.7</b>	<b>11.6</b>	<b>11.7</b>	<b>0%</b>

Source: Agricoop, MOFSL

**Exhibit 16: Pan-India growth at 2% YoY**

(Area in lac-ha)	Normal area (DES)	2020-21	2019-20	Growth YoY %
Wheat	303.3	337.1	330.6	2%
Rice	41.8	21.0	20.0	5%
Pulses	144.9	162.1	158.8	2%
Coarse Cereals	57.1	49.1	53.5	-8%
Jowar	33.4	26.5	29.4	-10%
Maize	17.4	15.1	15.9	-5%
Other Coarse cereals	6.4	7.5	8.2	-9%
Oilseeds	73.2	82.6	79.0	5%
<b>Total</b>	<b>620.3</b>	<b>651.9</b>	<b>641.9</b>	<b>2%</b>

Source: Agricoop, MOFSL

**Exhibit 17: Cumulative coverage of six states – major volume drivers**

(Area in lac-ha)	Normal area (DES)	2020-21	2019-20	Growth YoY %
Wheat	14.4	14.3	13.2	8%
Rice	31.1	9.1	8.0	14%
Pulses	48.2	58.7	57.6	2%
Coarse Cereals	40.6	31.3	34.0	-8%
Jowar	31.5	24.3	26.8	-9%
Maize	9.0	6.5	6.8	-5%
Other Coarse cereals	0.1	0.5	0.4	24%
Oilseeds	17.2	12.4	12.6	-2%
<b>Total</b>	<b>151.6</b>	<b>125.7</b>	<b>125.4</b>	<b>0.2%</b>

Source: Agricoop, MOFSL

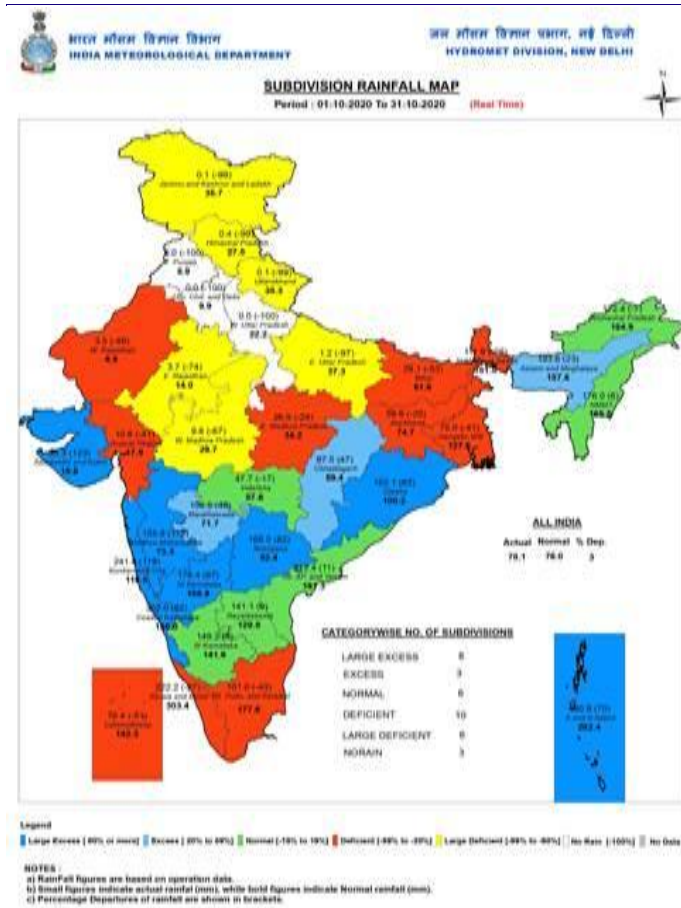
Note: For Exhibit 10-17 sowing data is as on 15<sup>th</sup> Jan, 2021.

Exhibit 18: Higher reservoir levels bode well for on-going rabi season (as of 14th Jan 2021)

State	No. of reservoirs monitored	Live Capacity at FRL (BCM)	Live Storage (BCM)			Storage as a % of Live Capacity at FRL			% departure from 10-yr avg
			Current Year	Last Year	Last 10-year avg	Current Year	Last Year	Last 10-year avg	
Andhra Pradesh & TG	2	13.4	7.98	7.25	4.93	60	54	37	62
Gujarat	17	17.96	13.8	13.87	8.91	77	77	50	55
Karnataka	16	24.63	16.62	18.03	12.72	67	73	52	31
Madhya Pradesh	9	28.4	20.57	24	16.67	72	85	59	23
Maharashtra	25	17.27	14.69	15.2	10.82	85	88	63	36
Punjab	1	2.34	0.43	1.42	1.03	18	61	44	-58
Rajasthan	4	4.36	2.37	3.03	2.38	54	69	55	0
Telangana	4	4.23	3.71	2.78	2.36	88	66	56	58
Uttar Pradesh	8	7.66	3.69	3.94	3.39	48	51	44	9
West Bengal	2	1.39	0.73	1.08	0.74	53	78	53	-1

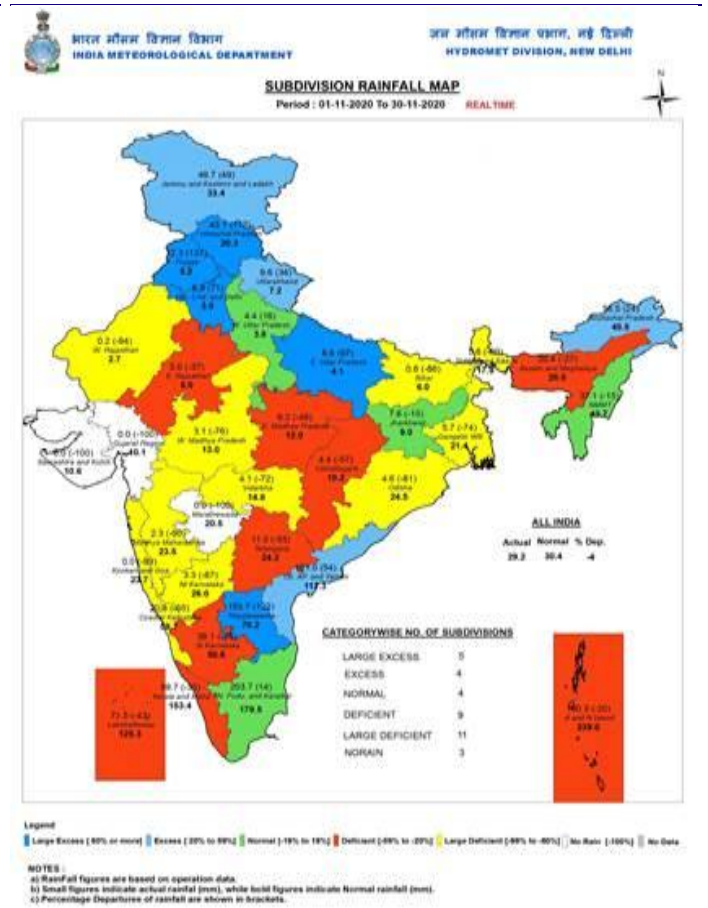
Source: Agricoop, MOFSL

Exhibit 19: Rainfall for the month of Oct'20



Source: IMD, MOFSL

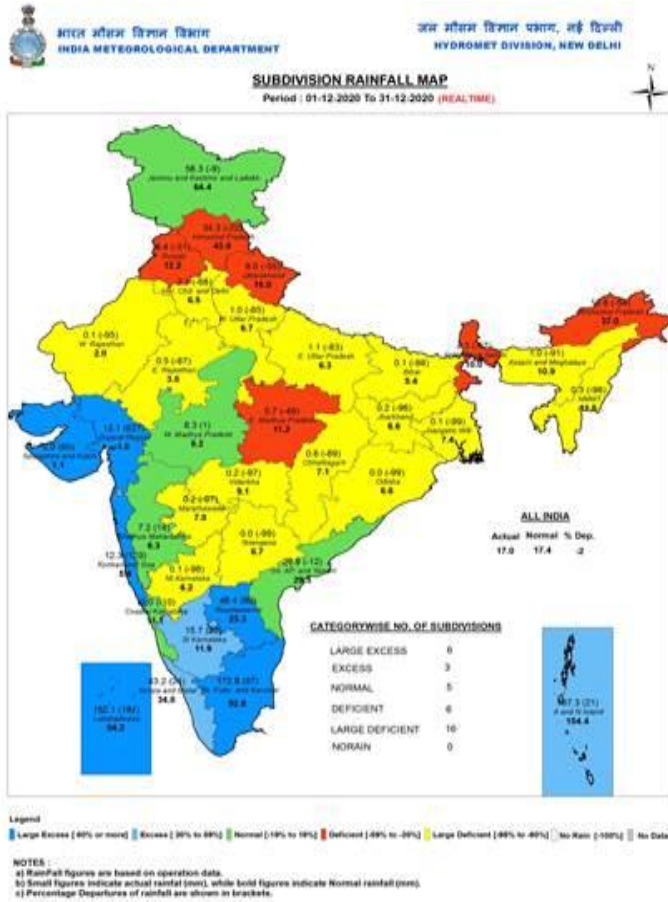
Exhibit 20: Rainfall for the month of Nov'20



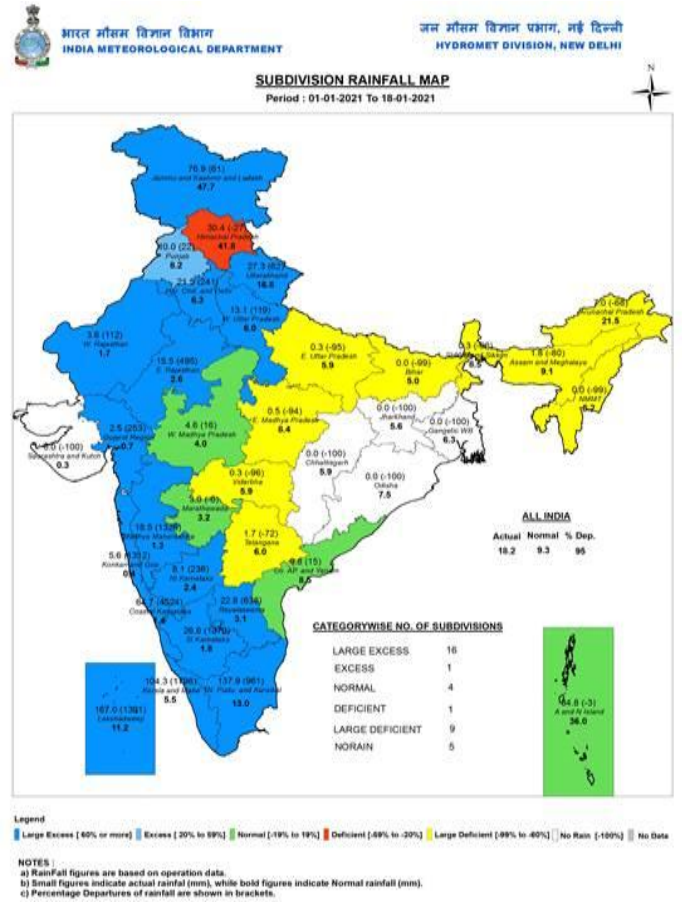
Source: IMD, MOFSL

Exhibit 21: Rainfall for the month of Dec'20

Exhibit 22: Rainfall for the month of Jan'21



Source: IMD, MOFSL

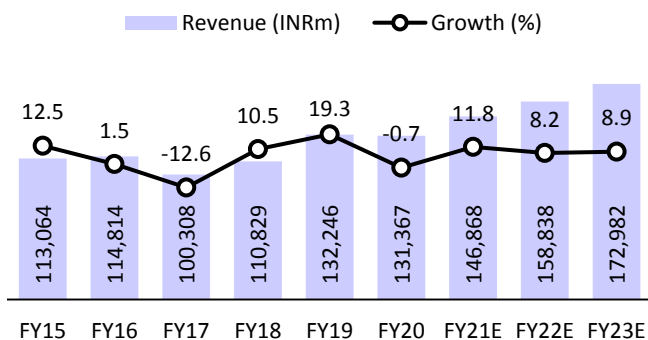


Source: IMD, MOFSL



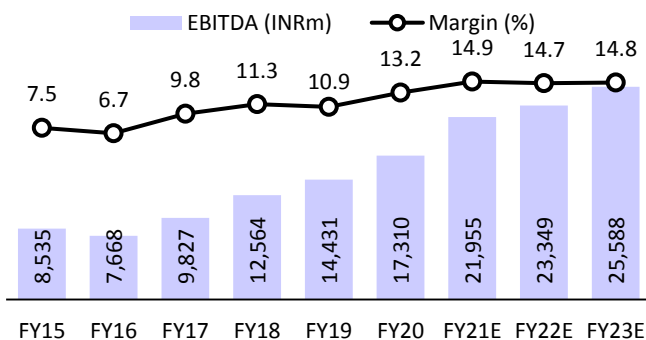
## Story in charts

**Exhibit 23: Expect revenue CAGR of 10% over FY20–23E**



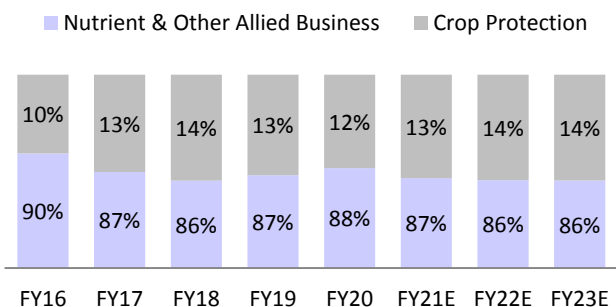
Source: Company, MOFSL

**Exhibit 24: Margins to expand 160bp over FY20–23E**



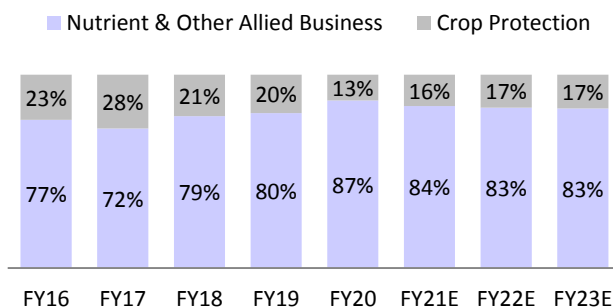
Source: Company, MOFSL

**Exhibit 25: Segment-wise revenue mix**



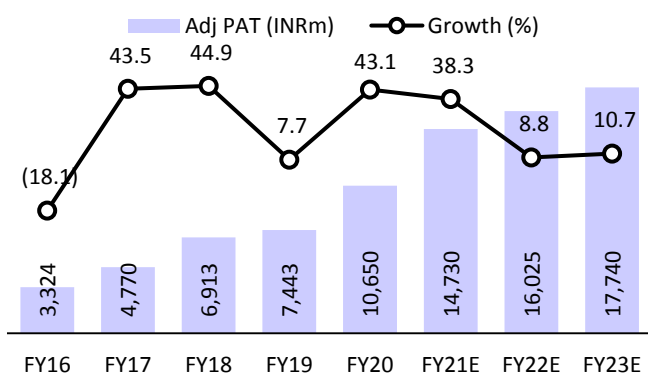
Source: Company, MOFSL

**Exhibit 26: Segment-wise EBITDA mix**



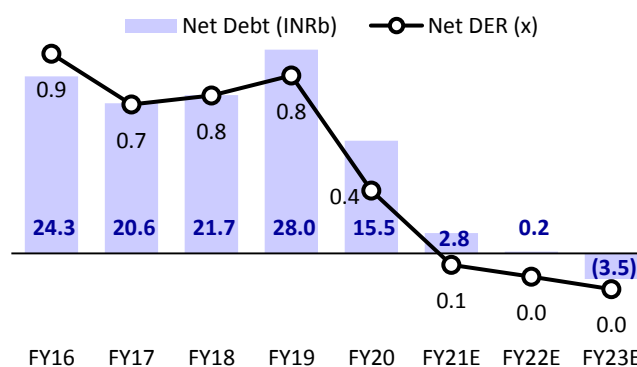
Source: Company, MOFSL

**Exhibit 27: Expect adj. PAT CAGR of 19% over FY20–23E**



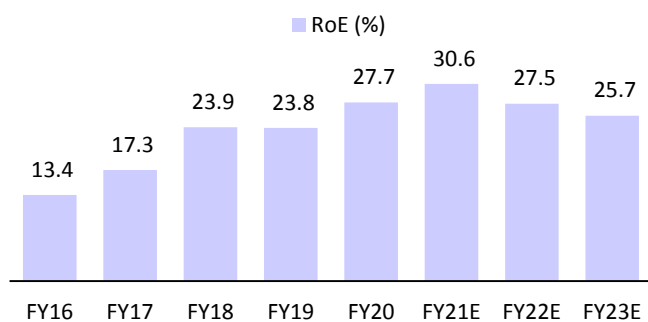
Source: Company, MOFSL

**Exhibit 28: Net DE (INR m)**



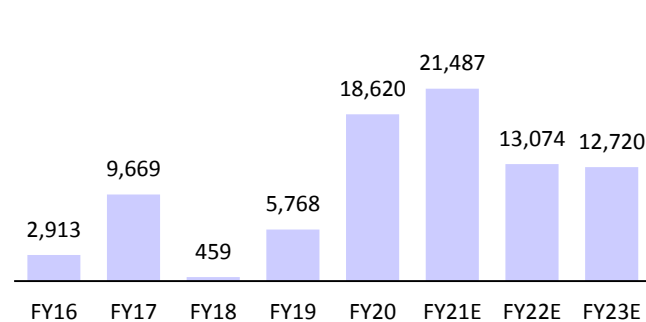
Source: Company, MOFSL

**Exhibit 29: RoE (%) trend**



Source: Company, MOFSL

**Exhibit 30: Operating cash flow to remain strong (INR m)**



Source: Company, MOFSL

## Financials and valuations

Consolidated - Income Statement								(INRm)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Total Income from Operations</b>	<b>1,14,814</b>	<b>1,00,308</b>	<b>1,10,829</b>	<b>1,32,246</b>	<b>1,31,367</b>	<b>1,46,868</b>	<b>1,58,838</b>	<b>1,72,982</b>
Change (%)	1.5	(12.6)	10.5	19.3	(0.7)	11.8	8.2	8.9
<b>EBITDA</b>	<b>7,668</b>	<b>9,827</b>	<b>12,564</b>	<b>14,431</b>	<b>17,310</b>	<b>21,955</b>	<b>23,349</b>	<b>25,588</b>
Margin (%)	6.7	9.8	11.3	10.9	13.2	14.9	14.7	14.8
Depreciation	1,061	1,007	991	1,138	1,580	1,761	2,044	2,264
<b>EBIT</b>	<b>6,607</b>	<b>8,820</b>	<b>11,573</b>	<b>13,292</b>	<b>15,730</b>	<b>20,195</b>	<b>21,305</b>	<b>23,323</b>
Int. and Finance Charges	2,209	2,238	1,783	2,507	2,353	947	404	234
Other Income	665	548	597	371	400	429	515	618
<b>PBT bef. EO Exp.</b>	<b>5,062</b>	<b>7,130</b>	<b>10,387</b>	<b>11,156</b>	<b>13,777</b>	<b>19,677</b>	<b>21,416</b>	<b>23,708</b>
EO Expense/(Income)	250	0	0	-239	0	0	0	0
<b>PBT after EO Exp.</b>	<b>5,312</b>	<b>7,130</b>	<b>10,387</b>	<b>10,917</b>	<b>13,777</b>	<b>19,677</b>	<b>21,416</b>	<b>23,708</b>
Current Tax	1,878	2,432	3,539	3,874	3,686	4,992	5,390	5,967
Deferred Tax	-161	-78	-71	-153	-551	0	0	0
Total Tax	1,716	2,353	3,468	3,721	3,135	4,992	5,390	5,967
Tax Rate (%)	32.3	33.0	33.4	34.1	22.8	25.4	25.2	25.2
Less: MI/Sh of profit/loss of JV & Ass.	22	7	6	-8	-8	-46	0	0
<b>Reported PAT</b>	<b>3,574</b>	<b>4,770</b>	<b>6,913</b>	<b>7,205</b>	<b>10,650</b>	<b>14,730</b>	<b>16,025</b>	<b>17,740</b>
<b>Adjusted PAT</b>	<b>3,324</b>	<b>4,770</b>	<b>6,913</b>	<b>7,443</b>	<b>10,650</b>	<b>14,730</b>	<b>16,025</b>	<b>17,740</b>
Change (%)	-18.1	43.5	44.9	7.7	43.1	38.3	8.8	10.7
Margin (%)	2.9	4.8	6.2	5.6	8.1	10.0	10.1	10.3

Consolidated - Balance Sheet								(INRm)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Equity Share Capital	291	292	292	293	293	293	293	293
Total Reserves	26,048	28,616	28,670	33,291	42,884	52,692	63,092	74,504
<b>Net Worth</b>	<b>26,340</b>	<b>28,908</b>	<b>28,963</b>	<b>33,584</b>	<b>43,177</b>	<b>52,985</b>	<b>63,385</b>	<b>74,797</b>
Deferred Liabilities	1,679	1,495	1,254	1,123	578	578	578	578
Total Loans	26,267	22,284	27,284	29,545	16,251	5,251	4,751	2,751
<b>Capital Employed</b>	<b>54,286</b>	<b>52,686</b>	<b>57,501</b>	<b>64,252</b>	<b>60,007</b>	<b>58,814</b>	<b>68,714</b>	<b>78,126</b>
Gross Block	23,550	24,612	25,625	26,631	31,166	34,666	39,666	42,666
Less: Accum. Deprn.	10,250	11,257	12,248	13,387	14,967	16,727	18,772	21,036
<b>Net Fixed Assets</b>	<b>13,300</b>	<b>13,355</b>	<b>13,376</b>	<b>13,244</b>	<b>16,200</b>	<b>17,939</b>	<b>20,895</b>	<b>21,631</b>
Goodwill on Consolidation	3	3	3	3	3	3	3	3
Capital WIP	309	137	375	1,756	654	147	159	173
Current Investments	3	1	1	1	0	0	0	0
<b>Total Investments</b>	<b>4,772</b>	<b>3,885</b>	<b>2,214</b>	<b>2,008</b>	<b>2,113</b>	<b>2,113</b>	<b>2,113</b>	<b>2,113</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>73,433</b>	<b>69,071</b>	<b>82,515</b>	<b>88,728</b>	<b>82,517</b>	<b>92,185</b>	<b>1,04,592</b>	<b>1,17,635</b>
Inventory	23,458	17,246	22,625	32,414	26,971	28,167	32,638	37,914
Account Receivables	16,419	16,217	15,777	18,244	17,341	19,314	21,759	23,696
Govt Subsidies Receivable	23,671	25,570	26,269	23,935	23,162	28,167	30,462	33,175
Cash and Bank Balance	1,978	1,678	5,554	1,593	783	2,454	4,502	6,264
Loans and Advances	7,908	8,359	12,291	12,542	14,259	14,083	15,231	16,587
<b>Curr. Liability &amp; Prov.</b>	<b>37,531</b>	<b>33,764</b>	<b>40,983</b>	<b>41,488</b>	<b>41,481</b>	<b>53,572</b>	<b>59,047</b>	<b>63,429</b>
Account Payables	32,329	29,345	33,786	37,625	33,481	39,652	43,626	46,359
Other Current Liabilities	4,945	4,129	6,952	3,542	7,643	8,450	9,139	9,952
Provisions	257	289	244	321	357	5,470	6,283	7,117
<b>Net Current Assets</b>	<b>35,902</b>	<b>35,307</b>	<b>41,532</b>	<b>47,240</b>	<b>41,036</b>	<b>38,613</b>	<b>45,545</b>	<b>54,206</b>
<b>Appl. of Funds</b>	<b>54,286</b>	<b>52,686</b>	<b>57,501</b>	<b>64,252</b>	<b>60,007</b>	<b>58,814</b>	<b>68,714</b>	<b>78,126</b>

## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>11.4</b>	<b>16.4</b>	<b>23.6</b>	<b>25.4</b>	<b>36.3</b>	<b>50.3</b>	<b>54.7</b>	<b>60.5</b>
Cash EPS	15.1	19.8	27.0	29.3	41.7	56.3	61.7	68.3
BV/Share	90.4	99.1	99.1	114.8	147.4	180.8	216.3	255.3
DPS	2.5	4.0	6.5	6.5	12.0	14.0	16.0	18.0
Payout (%)	24.5	29.4	33.0	31.7	39.6	33.4	35.1	35.7
<b>Valuation (x)</b>								
P/E	71.9	50.2	34.7	32.3	22.6	16.3	15.0	13.6
Cash P/E	54.5	41.5	30.4	28.0	19.7	14.6	13.3	12.0
P/BV	9.1	8.3	8.3	7.2	5.6	4.5	3.8	3.2
EV/Sales	2.3	2.6	2.4	2.0	1.9	1.7	1.5	1.4
EV/EBITDA	34.4	26.5	20.8	18.6	14.8	11.1	10.3	9.3
Dividend Yield (%)	0.3	0.5	0.8	0.8	1.5	1.7	1.9	2.2
FCF per share	7.0	30.1	4.8	8.7	51.8	63.1	27.5	33.1
<b>Return Ratios (%)</b>								
RoE	13.4	17.3	23.9	23.8	27.7	30.6	27.5	25.7
RoCE	10.1	12.1	15.1	15.1	20.3	26.2	25.8	24.6
RoIC	10.4	12.5	16.0	16.2	21.1	27.3	27.5	26.5
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	5	4	4	5	4	4	4	4
Asset Turnover (x)	2.1	1.9	1.9	2.1	2.2	2.5	2.3	2.2
Inventory (Days)	75	63	75	89	75	70	75	80
Debtor (Days)	52	59	52	50	48	48	50	50
Govt Subs Receivable (days)	75	93	87	66	64	70	70	70
Creditor (Days)	135	150	162	147	135	145	145	140
Others (Days)								
Working Capital Turnover (Days)	108	122	118	126	112	90	94	101
<b>Leverage Ratio (x)</b>								
Current Ratio	2.0	2.0	2.0	2.1	2.0	1.7	1.8	1.9
Interest Cover Ratio	3	4	6	5	7	21	53	100
Debt/Equity	1.0	0.8	0.9	0.9	0.4	0.1	0.1	0.0

### Consolidated - Cash Flow Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>(INRm)</b>								
NP/(Loss) Before Tax and EO Items	5,062	7,130	10,387	11,156	13,777	19,677	21,416	23,708
Depreciation	1,061	1,007	991	1,138	1,580	1,761	2,044	2,264
Interest & Finance Charges	1,545	1,690	119	1,783	2,353	947	-111	-384
Direct Taxes Paid	-1,716	-2,353	-3,498	-3,709	-3,135	-4,992	-5,390	-5,967
(Inc)/Dec in WC	-3,039	2,195	-7,540	-4,601	4,044	4,095	-4,884	-6,900
<b>CF from Operations</b>	<b>2,913</b>	<b>9,669</b>	<b>459</b>	<b>5,768</b>	<b>18,620</b>	<b>21,487</b>	<b>13,074</b>	<b>12,720</b>
Others	0	0	2,174	-504	0	0	0	0
<b>CF from Operating incl EO</b>	<b>2,913</b>	<b>9,669</b>	<b>2,633</b>	<b>5,264</b>	<b>18,620</b>	<b>21,487</b>	<b>13,074</b>	<b>12,720</b>
(inc)/dec in FA	-869	-890	-1,230	-2,731	-3,434	-2,993	-5,012	-3,014
<b>Free Cash Flow</b>	<b>2,044</b>	<b>8,779</b>	<b>1,402</b>	<b>2,534</b>	<b>15,186</b>	<b>18,495</b>	<b>8,062</b>	<b>9,706</b>
(Pur)/Sale of Investments	-275	887	0	0	-105	0	0	0
Others	665	548	2,483	-4,053	1,320	14	515	618
<b>CF from Investments</b>	<b>-479</b>	<b>546</b>	<b>1,253</b>	<b>-6,784</b>	<b>-2,219</b>	<b>-2,979</b>	<b>-4,497</b>	<b>-2,396</b>
Issue of Shares	0	0	167	45	1	0	0	0
Inc/(Dec) in Debt	5,047	-3,983	4,437	2,316	-13,294	-11,000	-500	-2,000
Interest Paid	-2,209	-2,238	-1,801	-2,511	-2,353	-947	-404	-234
Dividend Paid	-876	-1,403	-2,813	-2,292	-4,219	-4,922	-5,626	-6,329
Others	-5,517	-2,890	0	0	2,654	32	0	0
<b>CF from Fin. Activity</b>	<b>-3,556</b>	<b>-10,513</b>	<b>-10</b>	<b>-2,441</b>	<b>-17,211</b>	<b>-16,837</b>	<b>-6,529</b>	<b>-8,563</b>
<b>Inc/Dec of Cash</b>	<b>-1,121</b>	<b>-299</b>	<b>3,876</b>	<b>-3,961</b>	<b>-810</b>	<b>1,671</b>	<b>2,048</b>	<b>1,761</b>
Add: Beginning Balance	3,099	1,977	1,678	5,554	1,593	783	2,454	4,502
<b>Closing Balance</b>	<b>1,977</b>	<b>1,678</b>	<b>5,554</b>	<b>1,593</b>	<b>783</b>	<b>2,454</b>	<b>4,502</b>	<b>6,264</b>

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 within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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