

May 3, 2021

## Q4FY21 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

Rating	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
Rating	REDUCE		REDUCE	
Target Price	700		676	
Sales (Rs. m)	1,67,676	1,77,541	1,56,354	1,76,542
% Chng.	7.2	0.6		
EBITDA (Rs. m)	19,385	20,419	19,513	20,723
% Chng.	(0.7)	(1.5)		
EPS (Rs.)	45.3	46.7	43.6	46.7
% Chng.	3.9	(0.2)		

### Key Financials - Standalone

Y/e Mar	FY20	FY21	FY22E	FY23E
Sales (Rs. m)	1,31,367	1,42,135	1,67,676	1,77,541
EBITDA (Rs. m)	17,310	20,158	19,385	20,419
Margin (%)	13.2	14.2	11.6	11.5
PAT (Rs. m)	10,650	13,292	13,248	13,646
EPS (Rs.)	36.4	45.4	45.3	46.7
Gr. (%)	43.1	24.8	(0.3)	3.0
DPS (Rs.)	12.0	12.0	14.9	15.4
Yield (%)	1.6	1.6	2.0	2.1
RoE (%)	27.7	28.1	23.7	21.1
RoCE (%)	25.7	33.2	31.1	27.9
EV/Sales (x)	1.8	1.5	1.3	1.2
EV/EBITDA (x)	13.4	10.4	11.1	10.6
PE (x)	20.4	16.3	16.4	15.9
P/BV (x)	5.0	4.2	3.6	3.1

### Key Data

### CROM.BO | CRIN IN

52-W High / Low	Rs.881 / Rs.531
Sensex / Nifty	48,782 / 14,631
Market Cap	Rs.217bn/ \$ 2,935m
Shares Outstanding	293m
3M Avg. Daily Value	Rs.634.2m

### Shareholding Pattern (%)

Promoter's	57.56
Foreign	7.73
Domestic Institution	20.59
Public & Others	14.12
Promoter Pledge (Rs bn)	0.02

### Stock Performance (%)

	1M	6M	12M
Absolute	(4.3)	2.0	24.7
Relative	(2.9)	(17.2)	(13.8)

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## Margin pressure building up but Working Capital improves substantially

### Quick Pointers:

- Pressure on margins to continue in FY22
- Working Capital down to 20 days (from 95)

**CRIN reported mixed results with topline flat @ Rs28.5bn YoY (PLe 8% degrowth), but EBITDA declined 33% YoY @ Rs2.6bn (PLe Rs 3.6 bn) driven by RM cost inflation. The company became net cash due to robust cash generation led by healthy performance in FY21, higher inflow of subsidy (recd Rs50bn in FY) and lower working capital driven by 34-day decline in receivables. CP segment clocked healthy topline growth, but margins were under marginal stress due to pricing pressure from international geographies. The segment continues to be on structural growth trajectory driven by rich product pipeline, expanding geographical presence and focus on expanding registrations. In FY22, we believe higher raw material cost will continue to be a concern as CRIN (& industry) may take sharp price increase to defend margins, yet lower pending subsidies and surplus cash will eventually aid profit (due to lower interest cost and higher other income). We have increased our topline/APAT by 7%/3.9% for FY22E and 1%/0% FY23E driven by higher realisations, lower finance cost and higher other income. But we reduce our EBITDA estimates by 1%/1.5% for FY22E/FY23E, roll over to FY23E earnings and increase our TP to Rs700 (Previous 675) based on 15x FY23E EPS of Rs46.7. Maintain REDUCE.**

**Pressure on margins to continue in FY22:** Currently, Phos Acid/ Sulphur/ Ammonia/ Rock Phosphate have shot up 66%/94%/14%/3% YoY. CRIN took staggered price increase of ~15% each in February and April, but had to roll back April's price increase due to Govt pressure for releasing old stock at lower price. Industry is expected to take sharp price hikes as & when this old stock is liquidated. Q1FY21 India phosphoric acid price is set at USD 998/tn, up 66% YoY.

**Working Capital down to 20 days (from 95) in FY21:** Working capital days declined sharply from 95 days in FY20 to 20 days in FY21 driven by substantial improvement in subsidy receivable. Company received Rs 50bn subsidy from Gol in FY21 thereby reducing pending subsidies to Rs 6bn vis-s-vis historical average of ~Rs 23-26bn. Debtors improved significantly driven by focus on quick realisations and better farmer income.

We expect outstanding subsidies to inch up again FY22 onwards as budgetary subsidy allocation for NPK is lower than previous year budgetary estimate (BE).

**CP segment on track for structural growth:** Crop protection segment is on a firm footing driven by improved sales mix, smart sourcing and higher capacity utilization. The company has rich product portfolio driven by strong R&D capabilities and partnership with global innovators. Currently CRIN is focusing on registrations in key geographies globally, along with looking for right molecules. The company has also set up base in Japan and is working closely with innovators to introduce more products.

**Exhibit 1: Margins under pressure due to RM cost inflation**

Y/e March (Rs Mn)	Q4FY21	Q4FY20	YoY gr. (%)	Q3FY21	QoQ gr. (%)	FY21	FY20	YoY gr. (%)
<b>Net Sales</b>	<b>28,560</b>	<b>28,693</b>	<b>(0.5)</b>	<b>35,330</b>	<b>(19.2)</b>	<b>1,42,135</b>	<b>1,31,367</b>	<b>8.2</b>
<b>Expenditure</b>								
Raw Materials	19,609	18,658	5.1	23,790	(17.6)	96,879	90,556	7.0
<i>% of Net Sales</i>	<i>68.7</i>	<i>65.0</i>		<i>67.3</i>		<i>68.2</i>	<i>68.9</i>	
Employee Cost	1,377	1,169	17.8	1,432	(3.9)	5,386	4,612	16.8
<i>% of Net Sales</i>	<i>4.8</i>	<i>4.1</i>		<i>4.1</i>		<i>3.8</i>	<i>3.5</i>	
Other Expenses	4,965	4,959	0.1	5,116	(3.0)	19,712	18,890	4.4
<i>% of Net Sales</i>	<i>17.4</i>	<i>17.3</i>		<i>14.5</i>		<i>13.9</i>	<i>14.4</i>	
Total Expenditure	25,950	24,786	4.7	30,338	(14.5)	1,21,977	1,14,058	6.9
<b>EBITDA</b>	<b>2,610</b>	<b>3,907</b>	<b>(33.2)</b>	<b>4,992</b>	<b>(47.7)</b>	<b>20,158</b>	<b>17,309</b>	<b>16.5</b>
<i>Margin (%)</i>	<i>9.1</i>	<i>13.6</i>		<i>14.1</i>		<i>14.2</i>	<i>13.2</i>	
Depreciation	467	451	3.8	423	10.5	1,731	1,580	9.5
<b>EBIT</b>	<b>2,142</b>	<b>3,457</b>	<b>(38.0)</b>	<b>4,570</b>	<b>(53.1)</b>	<b>18,427</b>	<b>15,729</b>	<b>17.2</b>
Interest	164	434	(62.1)	205	(19.9)	1,057	2,353	(55.1)
Other Income	158	115	37.0	89	77.8	435	400	8.7
<b>PBT</b>	<b>2,135</b>	<b>3,137</b>	<b>(31.9)</b>	<b>4,453</b>	<b>(52.0)</b>	<b>17,805</b>	<b>13,777</b>	<b>29.2</b>
Tax	575	800	(28.1)	1,130	(49.2)	4,568	3,135	45.7
<i>Tax Rate (%)</i>	<i>26.9</i>	<i>25.5</i>		<i>25.4</i>		<i>25.7</i>	<i>22.8</i>	
<b>RPAT</b>	<b>1,561</b>	<b>2,338</b>	<b>(33.2)</b>	<b>3,323</b>	<b>(53.0)</b>	<b>13,237</b>	<b>10,642</b>	<b>24.4</b>
<b>APAT</b>	<b>1,558</b>	<b>2,338</b>	<b>(33.4)</b>	<b>3,338</b>	<b>(53.3)</b>	<b>13,266</b>	<b>10,650</b>	<b>24.6</b>
<b>EPS</b>	<b>5.3</b>	<b>8.0</b>	<b>(33.4)</b>	<b>11.4</b>	<b>(53.3)</b>	<b>45.3</b>	<b>36.4</b>	<b>24.5</b>

Source: Company, PL

**Exhibit 2: Nutrient segment dragged overall performance**

Segment Performance (Rs Mn)	Q4FY21	Q4FY20	YoY gr. (%)	Q3FY21	QoQ gr. (%)	FY21	FY20	YoY gr. (%)
<b>REVENUE</b>								
Nutrient and other allied business	23,652	24,362	(2.9)	30,453	(22.3)	1,22,318	1,15,500	5.9
<i>YoY gr. (%)</i>	<i>-35.7</i>	<i>55.6</i>		<i>12.0</i>				
Crop Protection	5,152	4,420	16.6	5,114	0.8	20,839	16,854	23.6
<i>YoY gr. (%)</i>	<i>16.6</i>	<i>21.8</i>		<i>10.6</i>				
<b>Total</b>	<b>28,804</b>	<b>28,783</b>	<b>0.1</b>	<b>35,566</b>	<b>(19.0)</b>	<b>1,43,157</b>	<b>1,32,354</b>	<b>8.2</b>
Less: Inter-segment revenue	987	89	1,005.7	236	318.2	1,765	987	78.8
Income from operations	<b>27,817</b>	<b>28,693</b>	<b>(3.1)</b>	<b>35,330</b>	<b>(21.3)</b>	<b>1,41,392</b>	<b>1,31,367</b>	<b>7.6</b>
<b>EBIT</b>								
Nutrient and other allied business	2,006	3,119	(35.7)	4,087	(50.9)	16,852	15,070	11.8
Crop protection	646	598	8.1	894	(27.8)	3,468	2,203	57.4
<b>Total</b>	<b>2,652</b>	<b>3,717</b>	<b>(28.7)</b>	<b>4,981</b>	<b>(46.8)</b>	<b>20,320</b>	<b>17,273</b>	<b>17.6</b>
Unallocable expenses	(509)	(260)	95.9	(412)	23.8	(1,893)	(1,543)	22.7
Finance cost	(164)	(434)	(62.2)	(205)	(20.1)	(1,057)	(2,353)	(55.1)
Other income	158	115	37.0	89	77.8	435	400	8.7
Exceptional item/Share of profit in JV	(2)	4	(155.8)	16	(115.3)	54	8	592.3
<b>PBT</b>	<b>2,133</b>	<b>3,142</b>	<b>(32.1)</b>	<b>4,468</b>	<b>(52.3)</b>	<b>17,860</b>	<b>13,785</b>	<b>29.6</b>

Source: Company, PL

**Exhibit 3: Nutrient segment profit contribution declined to 76%**

	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
<b>Sales Mix</b>								
Nutrient and other allied business	87%	90%	86%	85%	87%	86%	86%	82%
Crop protection	13%	10%	14%	15%	13%	14%	14%	18%
<b>EBIT Mix</b>								
Nutrient and other allied business	97%	88%	84%	84%	87%	84%	82%	76%
Crop protection	3%	12%	16%	16%	13%	16%	18%	24%

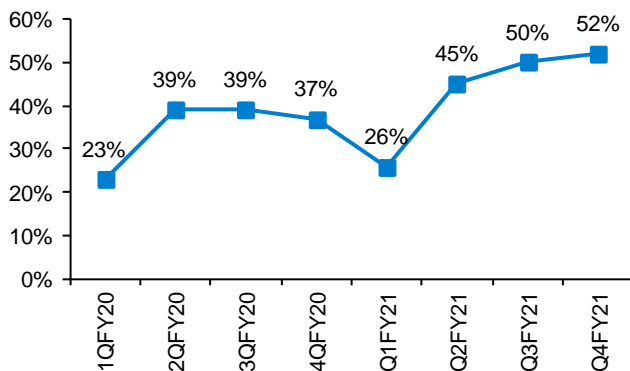
Source: Company, PL

**Exhibit 4: Margin contraction in both the segments**

Segment Margin	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Nutrient and other allied business	10.7%	14.3%	12.8%	12.8%	13.2%	17.6%	13.4%	8.5%
Margin expansion/ (contraction) in bps	268	163	364	401	243	329	57	(432)
Crop protection	2.2%	16.3%	15.4%	13.5%	12.9%	21.7%	17.5%	12.5%
Margin expansion/ (contraction) in bps	-1137	-207	-25	-53	1075	540	208	-99

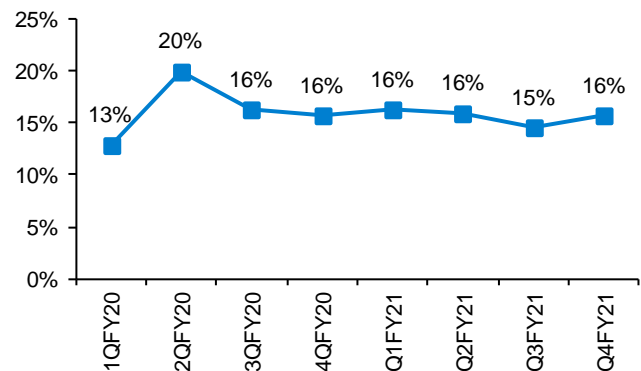
Source: Company, PL

**Exhibit 5: Unique Grade share stands at 52%**



Source: Company, PL

**Exhibit 6: Market Share flat @ 16%**



Source: Company, PL

**Exhibit 7: NPK volumes down 8% in Q4**

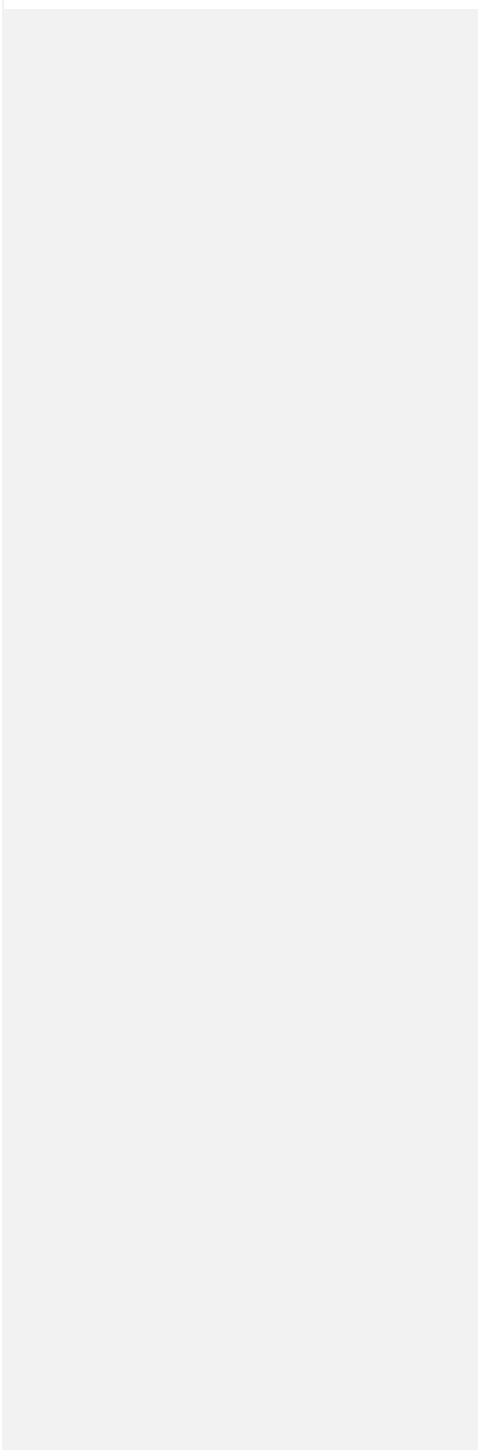
Volume in tons	Q4FY21	Q4FY20	YoY gr.	Q3FY21	QoQ gr.	FY21	FY20	YoY gr.
<b>Urea</b>	<b>67,711</b>	<b>99,114</b>	<b>-31.7%</b>	<b>3,05,327</b>	<b>-77.8%</b>	<b>6,21,633</b>	<b>4,62,153</b>	<b>34.5%</b>
Manufacture	-	-	NA	-	NA	-	-	NA
Imports	67,711	99,114	-31.7%	3,05,327	-77.8%	6,21,633	4,62,153	34.5%
<b>DAP</b>	<b>59,381</b>	<b>1,55,852</b>	<b>-61.9%</b>	<b>1,03,122</b>	<b>-42.4%</b>	<b>5,44,034</b>	<b>5,82,367</b>	<b>-6.6%</b>
Manufacture	1,583	1,41,483	-98.9%	42,334	-96.3%	2,15,283	5,10,059	-57.8%
Imports	57,798	14,369	302.2%	60,788	-4.9%	3,28,751	72,308	354.7%
<b>Complex Fertilisers</b>	<b>5,26,660</b>	<b>5,69,197</b>	<b>-7.5%</b>	<b>7,10,058</b>	<b>-25.8%</b>	<b>28,11,053</b>	<b>26,05,059</b>	<b>7.9%</b>
Manufacture	5,13,748	5,69,197	-9.7%	6,66,635	-22.9%	27,28,472	26,05,059	4.7%
Imports	12,913	-	NA	43,423	NA	82,582	-	NA
<b>SSP</b>	<b>1,55,771</b>	<b>1,06,369</b>	<b>46.4%</b>	<b>1,58,360</b>	<b>-1.6%</b>	<b>6,45,355</b>	<b>5,54,986</b>	<b>16.3%</b>
<b>MoP</b>	<b>35,887</b>	<b>45,810</b>	<b>-21.7%</b>	<b>46,791</b>	<b>-23.3%</b>	<b>1,97,920</b>	<b>1,87,585</b>	<b>5.5%</b>
<b>Compost</b>	<b>4,493</b>	<b>21,322</b>	<b>NA</b>	<b>4,038</b>	<b>11.2%</b>	<b>24,557</b>	<b>41,412</b>	<b>-40.7%</b>
<b>TOTAL VOLUME</b>	<b>8,49,903</b>	<b>9,97,664</b>	<b>-14.8%</b>	<b>13,27,696</b>	<b>-36.0%</b>	<b>48,44,552</b>	<b>44,33,561</b>	<b>9.3%</b>

Source: Gol, Company, PL

**Exhibit 8: Raw material prices heading higher**

Raw Material price (USD/tn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Phos Acid	722	655	625	590	602	630	689	795
<i>YoY gr.</i>	-1.1%	-13.6%	-18.4%	-21.9%	-16.6%	-3.8%	10.2%	34.7%
Rock Phos	120	111	101	100	99	99	101	103
<i>YoY gr.</i>	-1.6%	-14.0%	-22.3%	-23.1%	-17.5%	-10.8%	0.0%	3.0%
Ammonia	236	219	254	250	238	208	243	285
<i>YoY gr.</i>	-20.3%	-39.0%	-28.2%	-18.3%	0.8%	-5.0%	-4.3%	14.0%
Sulphur	118	97	69	69	73	77	93	134
<i>YoY gr.</i>	-17.5%	-39.8%	-60.1%	-45.7%	-38.1%	-20.3%	34.8%	94.2%
USD/INR	70.3	69.4	70.4	71.3	73.1	74.3	73.7	73.2
<i>YoY gr.</i>	8.9%	2.8%	-0.4%	0.3%	3.9%	7.1%	4.7%	2.7%

Source: Gol, Company, PL



## Financials

### Income Statement (Rs m)

Y/e Mar	FY20	FY21	FY22E	FY23E
<b>Net Revenues</b>	<b>1,31,367</b>	<b>1,42,135</b>	<b>1,67,676</b>	<b>1,77,541</b>
YoY gr. (%)	(0.7)	8.2	18.0	5.9
Cost of Goods Sold	90,556	96,879	1,19,006	1,26,298
Gross Profit	40,811	45,256	48,670	51,243
Margin (%)	31.1	31.8	29.0	28.9
Employee Cost	4,611	5,386	6,204	6,835
Other Expenses	18,890	19,712	23,081	23,989
<b>EBITDA</b>	<b>17,310</b>	<b>20,158</b>	<b>19,385</b>	<b>20,419</b>
YoY gr. (%)	20.0	16.5	(3.8)	5.3
Margin (%)	13.2	14.2	11.6	11.5
Depreciation and Amortization	1,580	1,731	2,039	2,371
<b>EBIT</b>	<b>15,730</b>	<b>18,427</b>	<b>17,346</b>	<b>18,049</b>
Margin (%)	12.0	13.0	10.3	10.2
Net Interest	2,353	1,057	183	186
Other Income	400	435	531	362
<b>Profit Before Tax</b>	<b>13,777</b>	<b>17,806</b>	<b>17,694</b>	<b>18,225</b>
Margin (%)	10.5	12.5	10.6	10.3
Total Tax	3,135	4,568	4,454	4,587
Effective tax rate (%)	22.8	25.7	25.2	25.2
<b>Profit after tax</b>	<b>10,643</b>	<b>13,238</b>	<b>13,240</b>	<b>13,638</b>
Minority interest	-	-	-	-
Share Profit from Associate	8	54	8	8
<b>Adjusted PAT</b>	<b>10,650</b>	<b>13,292</b>	<b>13,248</b>	<b>13,646</b>
YoY gr. (%)	43.1	24.8	(0.3)	3.0
Margin (%)	8.1	9.4	7.9	7.7
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>10,650</b>	<b>13,292</b>	<b>13,248</b>	<b>13,646</b>
YoY gr. (%)	47.8	24.8	(0.3)	3.0
Margin (%)	8.1	9.4	7.9	7.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	10,650	13,292	13,248	13,646
<b>Equity Shares O/s (m)</b>	<b>293</b>	<b>293</b>	<b>293</b>	<b>293</b>
<b>EPS (Rs)</b>	<b>36.4</b>	<b>45.4</b>	<b>45.3</b>	<b>46.7</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY20	FY21	FY22E	FY23E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>33,625</b>	<b>35,187</b>	<b>40,596</b>	<b>46,058</b>
Tangibles	33,336	34,844	40,203	45,616
Intangibles	288	342	392	442
<b>Acc: Dep / Amortization</b>	<b>13,305</b>	<b>15,036</b>	<b>16,647</b>	<b>18,562</b>
Tangibles	13,079	14,780	16,370	18,252
Intangibles	226	256	277	310
<b>Net fixed assets</b>	<b>20,320</b>	<b>20,151</b>	<b>23,949</b>	<b>27,496</b>
Tangibles	20,258	20,065	23,834	27,363
Intangibles	62	87	115	133
Capital Work In Progress	654	898	1,144	1,146
Goodwill	3	3	3	3
Non-Current Investments	2,568	2,681	2,725	2,759
Net Deferred tax assets	(578)	(576)	(576)	(576)
Other Non-Current Assets	4	10	10	10
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	26,971	26,009	32,604	34,602
Trade receivables	40,503	11,441	27,482	39,370
Cash & Bank Balance	783	7,221	1,374	1,149
Other Current Assets	4,386	5,040	5,869	6,214
<b>Total Assets</b>	<b>1,01,488</b>	<b>88,957</b>	<b>1,06,981</b>	<b>1,18,609</b>
<b>Equity</b>				
Equity Share Capital	293	293	293	293
Other Equity	42,884	51,213	59,846	68,822
<b>Total Networth</b>	<b>43,177</b>	<b>51,506</b>	<b>60,140</b>	<b>69,116</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	16,251	16	-	-
Provisions	211	137	168	178
Other non current liabilities	88	83	168	178
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	33,481	29,222	37,495	39,792
Other current liabilities	3,933	3,781	4,504	4,757
<b>Total Equity &amp; Liabilities</b>	<b>1,01,488</b>	<b>88,957</b>	<b>1,06,981</b>	<b>1,18,609</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY20	FY21	FY22E	FY23E
PBT	13,785	17,860	17,702	18,233
Add. Depreciation	1,580	1,731	2,039	2,371
Add. Interest	2,353	1,057	183	186
Less Financial Other Income	400	435	531	362
Add. Other	1,427	(1,419)	(531)	(362)
Op. profit before WC changes	19,145	19,228	19,393	20,427
Net Changes-WC	3,113	26,948	(10,767)	(5,780)
Direct tax	(3,638)	(4,674)	(4,899)	(5,046)
<b>Net cash from Op. activities</b>	<b>18,620</b>	<b>41,503</b>	<b>3,728</b>	<b>9,602</b>
Capital expenditures	(2,559)	(1,977)	(5,503)	(5,503)
Interest / Dividend Income	364	321	531	362
Others	(25)	(18,137)	-	-
<b>Net Cash from Inv. activities</b>	<b>(2,219)</b>	<b>-</b>	<b>(4,972)</b>	<b>(5,141)</b>
Issue of share cap. / premium	137	144	-	-
Debt changes	(13,574)	(16,235)	(16)	-
Dividend paid	(1,234)	(5,277)	(4,372)	(4,503)
Interest paid	(2,399)	(1,074)	(183)	(186)
Others	(146)	(189)	-	-
<b>Net cash from Fin. activities</b>	<b>(17,216)</b>	<b>(22,632)</b>	<b>(4,571)</b>	<b>(4,689)</b>
<b>Net change in cash</b>	<b>(816)</b>	<b>-</b>	<b>(5,815)</b>	<b>(228)</b>
Free Cash Flow	16,059	39,620	(1,775)	4,099

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

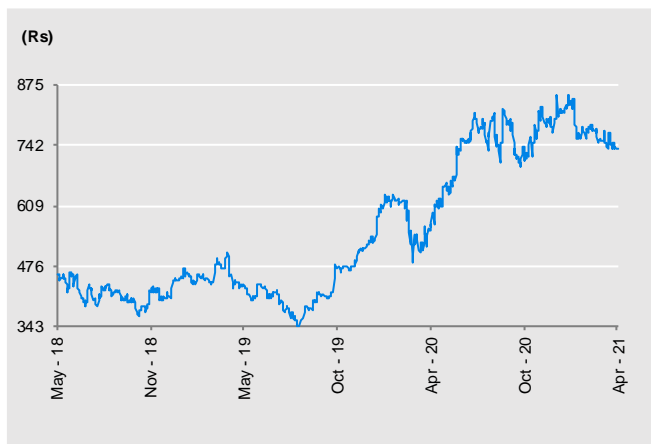
Y/e Mar	Q1FY21	Q2FY21	Q3FY21	Q4FY21
<b>Net Revenue</b>	<b>32,132</b>	<b>46,113</b>	<b>35,330</b>	<b>28,560</b>
YoY gr. (%)	50.8	(5.1)	7.8	(0.5)
Raw Material Expenses	22,812	30,669	23,790	19,609
Gross Profit	9,321	15,443	11,540	8,951
Margin (%)	29.0	33.5	32.7	31.3
<b>EBITDA</b>	<b>4,125</b>	<b>8,431</b>	<b>4,992</b>	<b>2,610</b>
YoY gr. (%)	111.3	18.2	15.6	(33.2)
Margin (%)	12.8	18.3	14.1	9.1
Depreciation / Depletion	421	420	423	467
<b>EBIT</b>	<b>3,704</b>	<b>8,011</b>	<b>4,570</b>	<b>2,142</b>
Margin (%)	11.5	17.4	12.9	7.5
Net Interest	434	253	205	164
Other Income	107	82	89	158
<b>Profit before Tax</b>	<b>3,402</b>	<b>7,841</b>	<b>4,453</b>	<b>2,135</b>
Margin (%)	10.6	17.0	12.6	7.5
Total Tax	896	1,967	1,130	575
Effective tax rate (%)	26.3	25.1	25.4	26.9
<b>Profit after Tax</b>	<b>2,506</b>	<b>5,874</b>	<b>3,323</b>	<b>1,561</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	15	16	(2)
<b>Adjusted PAT</b>	<b>2,480</b>	<b>5,889</b>	<b>3,338</b>	<b>1,558</b>
YoY gr. (%)	295.5	16.9	26.2	(33.4)
Margin (%)	7.7	12.8	9.4	5.5
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>2,480</b>	<b>5,889</b>	<b>3,338</b>	<b>1,558</b>
YoY gr. (%)	295.5	16.9	26.2	(33.4)
Margin (%)	7.7	12.8	9.4	5.5
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Avg. Shares O/s (m)	293	293	293	293
<b>EPS (Rs)</b>	<b>8.5</b>	<b>20.1</b>	<b>11.4</b>	<b>5.3</b>

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY20	FY21	FY22E	FY23E
<b>Per Share(Rs)</b>				
EPS	36.4	45.4	45.3	46.7
CEPS	41.8	51.4	52.3	54.8
BVPS	147.6	176.1	205.6	236.3
FCF	54.9	135.5	(6.1)	14.0
DPS	12.0	12.0	14.9	15.4
<b>Return Ratio(%)</b>				
RoCE	25.7	33.2	31.1	27.9
ROIC	20.1	28.4	23.8	21.3
RoE	27.7	28.1	23.7	21.1
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.4	(0.1)	0.0	0.0
Net Working Capital (Days)	94	21	49	70
<b>Valuation(x)</b>				
PER	20.4	16.3	16.4	15.9
P/B	5.0	4.2	3.6	3.1
P/CEPS	17.7	14.4	14.2	13.5
EV/EBITDA	13.4	10.4	11.1	10.6
EV/Sales	1.8	1.5	1.3	1.2
Dividend Yield (%)	1.6	1.6	2.0	2.1

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-21	Reduce	676	743
2	03-Feb-21	Reduce	676	788
3	11-Jan-21	Reduce	676	810
4	03-Nov-20	Reduce	676	733
5	10-Oct-20	Reduce	676	723
6	23-Sep-20	Reduce	676	788

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bayer Cropscience	BUY	6,022	5,197
2	Coromandel International	Reduce	676	743
3	Dhanuka Agritech	BUY	953	748
4	Godrej Agrovet	Accumulate	587	508
5	Insecticides India	BUY	506	466
6	P.I. Industries	Hold	2,119	2,418
7	Rallis India	BUY	321	275
8	Sharda Cropchem	BUY	383	311
9	Sumitomo Chemical India	Accumulate	336	294
10	UPL	Hold	659	653

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly





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