

### View: Strong quarter, fair valuation; Downgrade to Accumulate

- SGC reported results above estimates on all fronts.
- SGC posted strong set of numbers with +48.6%/ +23.1%/ +42.3% YoY growth in revenue/ EBITDA/ APAT to Rs3.9 bn/ Rs1.1 bn/ Rs514 mn led by +58.4%/ -6.2% YoY growth in volume/ realization (+9.3% QoQ).
- We expect 26.8%/ 9.7%/ 3.1% revenue/ EBITDA/ APAT CAGR over FY21-23E led by 20.4%/ 36.3% volume growth and -1.0%/ -1.0% realization de-growth in FY22E/ FY23E.
- We increase our revenue and EBITDA estimates by 6.0%/ 4.8% and 7.0%/ 5.4% for FY22E/ FY23E factoring Q1FY22 results. Accordingly, we increase our APAT estimates by 15.6%/ 8.8% for FY22E/ FY23E.
- We like SGC for its continuous efforts to expand its capacity combined with diversify its revenue and one of the lowest cost producer led by various cost rationalizing measures. SGC is increasing its capacity significantly by 2.5mtpa (43.5%) to 8.25mtpa by Q2FY22 in newer strong demand geographies like East (1.5mtpa in Odisha) and Central (1mtpa with 0.7mtpa clinker in MP) regions. These expansions to support strong volume growth in FY22E and FY23E. SGC's long term vision of expanding capacity to 10 mtpa by FY25E stays intact.
- Despite ongoing capacity expansion, we expect debt to remain under control with net D:E at 0.5x for FY22E/ FY23E. However, the stock has run up ~62% since our Q4FY21 result update note dated 14 May'21 thus we downgrade to Accumulate with a TP of Rs1,379 based on 8x (20%/ 27% discount to 5/10 year averages) consolidated FY23E EV/EBITDA.

### EBITDA/tn - down 22.3%/ +19.5% YoY/ QoQ

Higher than anticipated volume (+58.4% YoY/ -14.0% QoQ to 0.88mt), higher than expected realization (-6.2% YoY/ +9.3% QoQ to Rs4,463/tn) and lower than expected operating cost/tn (+1.8% YoY/ +5.9% QoQ to Rs3,246/tn) helped SGC to report strong EBITDA/tn of Rs1,218.

### Q1FY22 Result (Rs Mn)

| Particulars       | Q1FY22 | Q1FY21 | YoY (%) | Q4FY21 | QoQ (%) |
|-------------------|--------|--------|---------|--------|---------|
| Revenue           | 3,926  | 2,641  | 48.6    | 4,177  | (6.0)   |
| Total Expense     | 2,855  | 1,771  | 61.2    | 3,134  | (8.9)   |
| EBITDA            | 1,071  | 870    | 23.1    | 1,043  | 2.7     |
| Depreciation      | 194    | 200    | (2.7)   | 200    | (3.0)   |
| EBIT              | 877    | 671    | 30.8    | 842    | 4.1     |
| Other Income      | 48     | 8      | 502.5   | 17     | 178.4   |
| Interest          | 156    | 128    | 21.5    | 108    | 43.6    |
| EBT               | 769    | 550    | 39.7    | 751    | 2.4     |
| Tax               | 268    | 190    | 40.8    | 253    | 6.1     |
| RPAT              | 514    | 361    | 42.3    | 500    | 3.0     |
| APAT              | 514    | 361    | 42.3    | 500    | 3.0     |
|                   |        |        | (bps)   |        | (bps)   |
| Gross Margin (%)  | 44.0   | 49.6   | (553)   | 43.2   | 88      |
| EBITDA Margin (%) | 27.3   | 32.9   | (566)   | 25.0   | 232     |
| NPM (%)           | 13.1   | 13.7   | (58)    | 12.0   | 114     |
| Tax Rate (%)      | 34.9   | 34.6   | 26      | 33.6   | 122     |
| EBIT Margin (%)   | 22.3   | 25.4   | (305)   | 20.2   | 217     |

|                 |               |
|-----------------|---------------|
| CMP             | Rs 1,301      |
| Target / Upside | Rs 1,379 / 6% |
| NIFTY           | 15,709        |

### Scrip Details

|                  |                  |
|------------------|------------------|
| Equity / FV      | Rs 235mn / Rs 10 |
| Market Cap       | Rs 31bn          |
|                  | USD 411mn        |
| 52-week High/Low | Rs 1,390/ 444    |
| Avg. Volume (no) | 87,245           |
| Bloom Code       | SGC IN           |

| Price Performance | 1M | 3M | 12M |
|-------------------|----|----|-----|
| Absolute (%)      | 17 | 83 | 179 |
| Rel to NIFTY (%)  | 18 | 78 | 141 |

### Shareholding Pattern

|                 | Dec'20 | Mar'21 | Jun'21 |
|-----------------|--------|--------|--------|
| Promoters       | 50.3   | 50.3   | 50.3   |
| MF/Banks/FIs    | 12.1   | 11.8   | 11.5   |
| FIIIs           | 3.0    | 3.2    | 3.1    |
| Public / Others | 34.7   | 34.7   | 35.1   |

### Valuation (x)

|           | FY21A | FY22E | FY23E |
|-----------|-------|-------|-------|
| P/E       | 16.4  | 22.2  | 15.5  |
| EV/EBITDA | 9.0   | 10.3  | 7.6   |
| ROE (%)   | 28.6  | 19.2  | 25.1  |
| RoACE (%) | 21.1  | 16.8  | 20.4  |

### Estimates (Rs mn)

|           | FY21A  | FY22E  | FY23E  |
|-----------|--------|--------|--------|
| Revenue   | 13,713 | 16,343 | 22,059 |
| EBITDA    | 4,004  | 3,637  | 4,818  |
| PAT       | 1,860  | 1,377  | 1,976  |
| EPS (Rs.) | 79.2   | 58.6   | 84.1   |

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**Exhibit 1: Actual V/s DART estimates (Rs mn)**

| Particulars     | Actual | DART Est | % Variance | Comments   |
|-----------------|--------|----------|------------|--|
| Revenue (Rs mn) | 3,926  | 3,453    | 13.7       | +9.2%/ +4.1% higher/ higher than estimated volume/ realization |
| EBITDA (Rs mn)  | 1,071  | 800      | 33.8       | +4.1%/ -1.5% higher/ lower than estimated realization/ cost    |
| EBITDA%         | 27.3   | 23.2     | 411        |  |
| PAT (Rs mn)     | 514    | 278      | 84.8       | Led by better operating efficiencies                           |

Source: Company, DART

**Exhibit 2: Change in estimates - Increase FY22E/ FY23E estimates**

| (Rs mn)           | FY22E  |        |          | FY23E  |        |         |
|-------------------|--------|--------|----------|--------|--------|---------|
|                   | New    | Old    | % change | New    | Old    | %change |
| Net revenues      | 16,343 | 15,416 | 6.0      | 22,059 | 21,056 | 4.8     |
| EBIDTA            | 3,637  | 3,399  | 7.0      | 4,818  | 4,570  | 5.4     |
| EBIDTA margin (%) | 22.3   | 22.1   | 20       | 21.8   | 21.7   | 14      |
| Adj. Net Profit   | 1,377  | 1,191  | 15.6     | 1,976  | 1,817  | 8.8     |
| EPS (Rs)          | 58.6   | 50.7   | 15.6     | 84.1   | 77.3   | 8.8     |

Source: DART, Company

**Exhibit 3: Volume, Realization & Cost/tn Analysis**

| (Rs)                      | Q1FY22 | Q1FY21 | YoY (%) | Q4FY21 | QoQ (%) | FY21  | FY20  | YoY (%) |
|---------------------------|--------|--------|---------|--------|---------|-------|-------|---------|
| Volume(MT)                | 0.88   | 0.56   | 58.4    | 1.02   | (14.0)  | 3.2   | 3.1   | 0.9     |
| Realization/tn (Rs)       | 4,463  | 4,756  | (6.2)   | 4,084  | 9.3     | 4,339 | 3,753 | 15.6    |
| EBITDA/tn (Rs)            | 1,218  | 1,567  | (22.3)  | 1,019  | 19.5    | 1,267 | 592   | 113.9   |
| Cost/tn (Rs)              | 3,246  | 3,189  | 1.8     | 3,064  | 5.9     | 3,072 | 3,161 | (2.8)   |
| Raw Material Cost/tn (Rs) | 598    | 892    | (33.0)  | 716    | (16.5)  | 758   | 726   | 4.5     |
| Employee Expenses/tn (Rs) | 217    | 262    | (17.2)  | 229    | (5.1)   | 242   | 207   | 16.6    |
| Power and Fuels/tn (Rs)   | 1,138  | 802    | 41.9    | 864    | 31.7    | 827   | 987   | (16.2)  |
| Freight Expenses/tn (Rs)  | 762    | 704    | 8.2     | 742    | 2.8     | 741   | 715   | 3.7     |
| Other expenses/tn (Rs)    | 531    | 528    | 0.4     | 514    | 3.1     | 503   | 526   | (4.2)   |

Source: Company, DART

**Exhibit 4: % of Revenue**

| Particulars       | Q1FY22 | Q1FY21 | bps   | Q4FY21 | bps   | FY21 | FY20 | bps   |
|-------------------|--------|--------|-------|--------|-------|------|------|-------|
| Raw Material Cost | 13.4   | 18.8   | (537) | 17.5   | (413) | 17.5 | 19.3 | (186) |
| Employee Expenses | 4.9    | 5.5    | (65)  | 5.6    | (74)  | 5.6  | 5.5  | 5     |
| Power and Fuels   | 25.5   | 16.9   | 863   | 21.2   | 434   | 19.1 | 26.3 | (725) |
| Freight Expenses  | 17.1   | 14.8   | 227   | 18.2   | (108) | 17.1 | 19.0 | (196) |
| Other expenses    | 11.9   | 11.1   | 78    | 12.6   | (71)  | 11.6 | 14.0 | (240) |

Source: Company, DART

**Exhibit 5: Income statement (Consolidated)**

| Particulars (Rs mn)        | Q1FY22 | Q1FY21 | YoY (%)    | Q4FY21 | QoQ (%)    | FY21   | FY20   | YoY (%)    |
|----------------------------|--------|--------|------------|--------|------------|--------|--------|------------|
| <b>Total Revenue</b>       | 3,926  | 2,641  | 48.6       | 4,177  | (6.0)      | 13,713 | 11,752 | 16.7       |
| Raw Material Cost          | 526    | 496    | 6.1        | 732    | (28.2)     | 2,397  | 2,273  | 5.5        |
| Employee Expenses          | 191    | 145    | 31.2       | 234    | (18.4)     | 764    | 649    | 17.7       |
| Power and Fuel             | 1,001  | 446    | 124.7      | 884    | 13.3       | 2,614  | 3,092  | (15.4)     |
| Freight Cost               | 671    | 391    | 71.4       | 759    | (11.6)     | 2,342  | 2,238  | 4.7        |
| Other expenses             | 467    | 293    | 59.0       | 526    | (11.3)     | 1,591  | 1,646  | (3.3)      |
| <b>Total Expenditure</b>   | 2,855  | 1,771  | 61.2       | 3,134  | (8.9)      | 9,709  | 9,897  | (1.9)      |
| <b>PBIDT (Excl. OI)</b>    | 1,071  | 870    | 23.1       | 1,043  | 2.7        | 4,004  | 1,855  | 115.9      |
| Other Income               | 48     | 8      | 502.5      | 17     | 178.4      | 78     | 40     | 93.1       |
| Depreciation               | 194    | 200    | (2.7)      | 200    | (3.0)      | 806    | 789    | 2.1        |
| <b>EBIT</b>                | 925    | 679    | 36.3       | 859    | 7.6        | 3,277  | 1,107  | 196.1      |
| Interest                   | 156    | 128    | 21.5       | 108    | 43.6       | 466    | 610    | (23.7)     |
| <b>EBT</b>                 | 769    | 550    | 39.7       | 751    | 2.4        | 2,811  | 497    | 466.0      |
| Tax                        | 268    | 190    | 40.8       | 253    | 6.1        | 955    | 231    | 312.7      |
| <b>RPAT</b>                | 501    | 360    | 39.1       | 498    | 0.5        | 1,856  | 265    | 599.6      |
| <b>APAT</b>                | 514    | 361    | 42.3       | 500    | 3.0        | 1,860  | 267    | 596.4      |
| <b>Adj. EPS (Rs)</b>       | 21.9   | 15.4   | 42.3       | 21.3   | 3.0        | 79     | 11     | 596.4      |
|                            |        |        | <b>bps</b> |        | <b>bps</b> |        |        | <b>bps</b> |
| EBIDTA Margin (excl. O.I.) | 27.3   | 32.9   | (566)      | 25.0   | 232        | 29.2   | 15.8   | 1,342      |
| NPM (%)                    | 13.1   | 13.7   | (58)       | 12.0   | 114        | 13.6   | 2.3    | 1,129      |
| Tax Rate (%)               | 34.9   | 34.6   | 26         | 33.6   | 122        | 34.0   | 46.6   | (1,261)    |

Source: DART, Company

**Exhibit 6: Valuation**

| Particulars                    | Rs mn        |
|--------------------------------|--------------|
| Assumed EV/EBITDA multiple (x) | 8.0          |
| EBITDA (FY23E)                 | 4,818        |
| EV                             | 38,544       |
| Less: Net Debt (FY23E)         | 6,144        |
| Mcap                           | 32,400       |
| Shares o/s (mn)                | 24           |
| <b>Target Price</b>            | <b>1,379</b> |
| <b>CMP (Rs)</b>                | <b>1,301</b> |
| Upside (%)                     | 6.0          |

Source: Company, DART

## Key earnings takeaways

### Demand

- Q1FY22 witnessed low volumes due to 2<sup>nd</sup> wave of covid however, volumes improved by end of Q1FY22. In the south region, retail demand was benign but government demand was strong in Hyderabad. In the West region, Non-trade demand improved but retail demand decreased. East region improved.
- Demand contracted 15% in FY21 in states where the company operates, not giving any demand guidance on industry due to 3<sup>rd</sup> wave of covid, but can expect ~2% growth in FY22.
- Volume guidance for FY22 – Maintains target to achieve 3.6mt in FY22, of which 3.2mt (~1-2% YoY growth) will come from the existing plants and 0.4mt from 2 new plants.
- East region consistently growing at 10% for the past 15 years and will continue to grow. Lot of capacity coming up in East but its majorly grinding and not clinker unit. Management believes with supply coming in the East, demand will catch up.
- 55-60% of Sagar's volume comes from AP & Telangana and its exposure to TN is very limited and Kerala is negligible. Companies having more exposure to TN and Kerala had witnessed more de-growth in Q1FY22. Kerala is going for strict weekend lockdown.

### Prices

- South and East region witnessed steady pick up, West was stable. Management is hopeful that industry likely to pass on increase in input cost to end consumers
- Trade prices in Hyderabad – Q4FY21 exit prices at Rs350 then increased to 360-370 and now stands at Rs365. In Bangalore, Rs350 was the Q4FY21 exit prices post which increased to Rs370-385 and now stands at Rs380. Prices in Chennai (North TN) was Rs375 in Q4FY21 exit post which increased to 385-395 and now stands at Rs390.
- In absolute terms, cement prices are high but management believes adjusted for inflation, prices are not at multi-year high.

### Cost

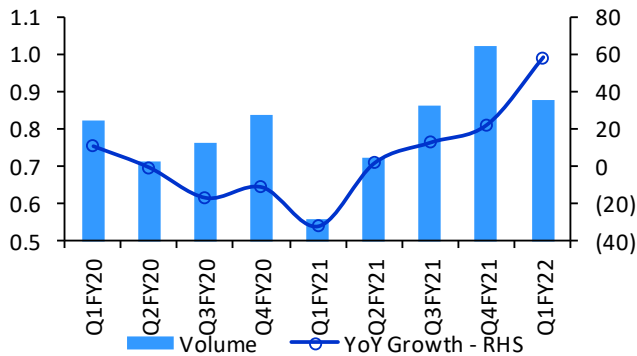
- Input cost are increasing very high. Management has factored Rs150/tn QoQ increase in operating cost in Q2FY22.
- Management expects Power & Fuel cost/tn to increase by Rs100/tn from exit of Q1FY22 to Q2FY22. However, increase in blended cement can set off the rise in fuel prices to some extent.
- Increasing diesel cost is a worry. If it moves further, cost will shot up majorly.
- Fuel ordering is a continuous process and alternate fuel arrangement is being made. Sagar Cement continues with is the policy to hedge fuel inventory for two quarters beyond which it is not viable to hedge since holding cost increases and it becomes expensive to hedge beyond 2 quarters. It used 100% imported coal in Q1FY22 but now back to use pet coke and domestic coal (Singareli coal).
- With 2 new capacities blending rate is expect
- Petcoke is higher on Kcal basis. Company will procure domestic coal from Singareni coal (low quality coal) and will blend both which will lead to lower Kcal value.

### Capex & Utilization

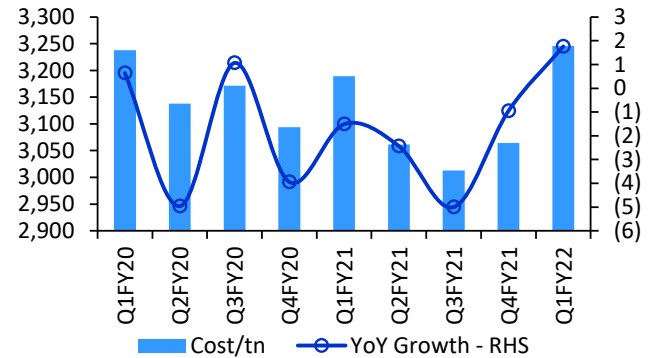
- Matampally/ Gudipadu/ Bayyavaram utilization stood at 56%/ 78%/ 59%.
- Satguru and Jajpur plants to commission by Sept'21. Expect 1<sup>st</sup> dispatch by 15 Aug'21 and full production by Sept'21. Expect 75%/ 60-65% capacity utilization for FY22E and 85%/ 70-75% for FY23E at Satguru/ Jajpur plants.
- The plan to expand capacity to 10mtpa by FY25 and doubling capacity in a decade is on. Sagar is open for organic and inorganic expansion and brownfield and greenfield. They will not opt for North East region for expansion.
- Company has enough clinker to support 70%/ 70%/ 65% utilization at Jajpur/ Vizag/ Matampally plants.

### Debt & Others

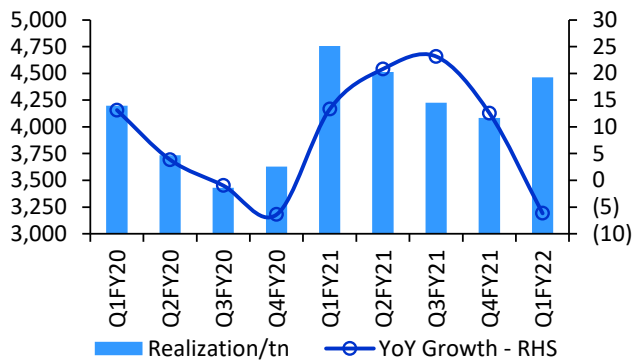
- Gross debt increased by Rs377 mn QoQ to Rs8.44 bn (Q1FY22) and cash balance stands at Rs1.72 bn, so net debt at Rs6.72 bn. Net D:E at 0.56x. Management expects gross debt (incl WC) to peak at Rs8.5-8.75 bn (earlier Rs8 bn) but by Q1FY23E debt should reduce. It has Rs1.85 bn repayment including interest scheduled for FY22.
- Capex of Rs750 mn is done in Q1FY22 and Rs1.5 bn is pending for Q2FY22.
- MP state has Rs1.5 bn incentives paid over 7 years and Odisha government is providing incentive in transit for which detail clarity to come in 1<sup>st</sup> week of Oct'21.
- Expect 8-10% hike in employee cost on annual basis. Recruitment for both new plants is done and will be capitalized before commissioning of those plants.
- M&A potential always exist and nothing can be ruled out.

**Exhibit 7: Volume (mt)**


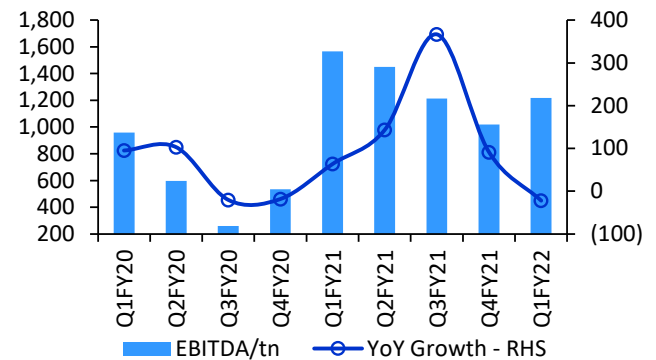
Source: Company, DART

**Exhibit 8: Cost/tn (Rs)**


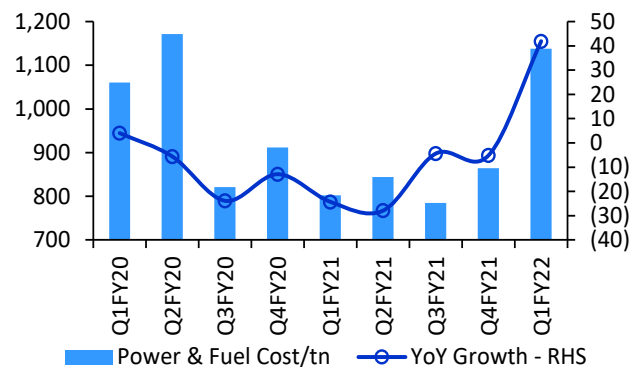
Source: Company, DART

**Exhibit 9: Realization/tn (Rs)**


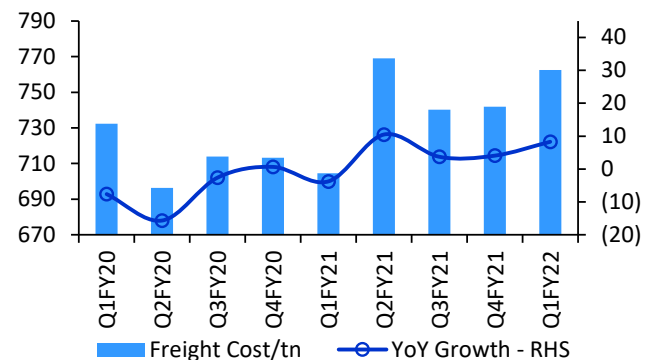
Source: Company, DART

**Exhibit 10: EBITDA/tn (Rs)**


Source: Company, DART

**Exhibit 11: Power & fuel cost/tn (Rs)**


Source: Company, DART

**Exhibit 12: Freight cost/tn (Rs)**


Source: Company, DART

**Profit and Loss Account**

| (Rs Mn)                                | FY20A         | FY21A         | FY22E         | FY23E         |
|--|---------------|---------------|---------------|---------------|
| <b>Revenue</b>                         | <b>11,752</b> | <b>13,713</b> | <b>16,343</b> | <b>22,059</b> |
| <b>Total Expense</b>                   | <b>9,897</b>  | <b>9,709</b>  | <b>12,706</b> | <b>17,241</b> |
| COGS                                   | 7,602         | 7,354         | 9,889         | 13,558        |
| Employees Cost                         | 649           | 764           | 863           | 992           |
| Other expenses                         | 1,646         | 1,591         | 1,954         | 2,691         |
| <b>EBIDTA</b>                          | <b>1,855</b>  | <b>4,004</b>  | <b>3,637</b>  | <b>4,818</b>  |
| Depreciation                           | 789           | 806           | 988           | 1,173         |
| <b>EBIT</b>                            | <b>1,066</b>  | <b>3,199</b>  | <b>2,649</b>  | <b>3,645</b>  |
| Interest                               | 610           | 466           | 661           | 706           |
| Other Income                           | 40            | 78            | 98            | 55            |
| Exc. / E.O. items                      | 0             | 0             | 0             | 0             |
| <b>EBT</b>                             | <b>497</b>    | <b>2,811</b>  | <b>2,086</b>  | <b>2,995</b>  |
| Tax                                    | 231           | 955           | 709           | 1,018         |
| RPAT                                   | 267           | 1,860         | 1,377         | 1,976         |
| Minority Interest                      | (2)           | (4)           | 0             | 0             |
| <b>Profit/Loss share of associates</b> | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>APAT</b>                            | <b>267</b>    | <b>1,860</b>  | <b>1,377</b>  | <b>1,976</b>  |

**Balance Sheet**

| (Rs Mn)                       | FY20A         | FY21A         | FY22E         | FY23E         |
|-------------------------------|---------------|---------------|---------------|---------------|
| <b>Sources of Funds</b>       |               |               |               |               |
| Equity Capital                | 223           | 235           | 235           | 235           |
| Minority Interest             | 539           | 535           | 535           | 535           |
| Reserves & Surplus            | 9,444         | 11,810        | 13,093        | 14,976        |
| <b>Net Worth</b>              | <b>10,206</b> | <b>12,580</b> | <b>13,863</b> | <b>15,746</b> |
| Total Debt                    | 4,880         | 8,065         | 8,452         | 8,152         |
| Net Deferred Tax Liability    | 227           | 759           | 759           | 759           |
| <b>Total Capital Employed</b> | <b>15,313</b> | <b>21,404</b> | <b>23,074</b> | <b>24,657</b> |

**Applications of Funds**

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| Net Block   | <b>13,423</b> | <b>12,822</b> | <b>19,333</b> | <b>19,660</b> |
| CWIP  | 1,080         | 5,175         | 1,175         | 2,175         |
| Investments                                       | 0             | 0             | 0             | 0             |
| <b>Current Assets, Loans &amp; Advances</b>       | <b>4,672</b>  | <b>7,689</b>  | <b>7,550</b>  | <b>9,453</b>  |
| Inventories                                       | 1,158         | 1,243         | 1,478         | 1,994         |
| Receivables                                       | 1,368         | 1,007         | 1,254         | 1,692         |
| Cash and Bank Balances                            | 128           | 2,542         | 1,554         | 2,008         |
| Loans and Advances                                | 0             | 0             | 0             | 0             |
| Other Current Assets                              | 2,019         | 2,897         | 3,264         | 3,759         |
| <b>Less: Current Liabilities &amp; Provisions</b> | <b>3,862</b>  | <b>4,281</b>  | <b>4,983</b>  | <b>6,631</b>  |
| Payables  | 2,230         | 2,290         | 2,687         | 3,626         |
| Other Current Liabilities                         | 1,632         | 1,991         | 2,297         | 3,005         |
| <i>sub total</i>                                  |               |               |               |               |
| Net Current Assets                                | 810           | 3,408         | 2,566         | 2,822         |
| <b>Total Assets</b>                               | <b>15,313</b> | <b>21,404</b> | <b>23,074</b> | <b>24,657</b> |

E – Estimates



### Important Ratios

| Particulars                               | FY20A  | FY21A  | FY22E  | FY23E  |
|---|--------|--------|--------|--------|
| <b>(A) Margins (%)</b>                    |        |        |        |        |
| Gross Profit Margin                       | 35.3   | 46.4   | 39.5   | 38.5   |
| EBIDTA Margin                             | 15.8   | 29.2   | 22.3   | 21.8   |
| EBIT Margin                               | 9.1    | 23.3   | 16.2   | 16.5   |
| Tax rate                                  | 46.6   | 34.0   | 34.0   | 34.0   |
| Net Profit Margin                         | 2.3    | 13.6   | 8.4    | 9.0    |
| <b>(B) As Percentage of Net Sales (%)</b> |        |        |        |        |
| COGS                                      | 64.7   | 53.6   | 60.5   | 61.5   |
| Employee                                  | 5.5    | 5.6    | 5.3    | 4.5    |
| Other                                     | 14.0   | 11.6   | 12.0   | 12.2   |
| <b>(C) Measure of Financial Status</b>    |        |        |        |        |
| Gross Debt / Equity                       | 0.5    | 0.6    | 0.6    | 0.5    |
| Interest Coverage                         | 1.7    | 6.9    | 4.0    | 5.2    |
| Inventory days                            | 36     | 33     | 33     | 33     |
| Debtors days                              | 42     | 27     | 28     | 28     |
| Average Cost of Debt                      | 12.2   | 11.2   | 14.6   | 14.6   |
| Payable days                              | 69     | 61     | 60     | 60     |
| Working Capital days                      | 25     | 91     | 57     | 47     |
| FA T/O                                    | 0.9    | 1.1    | 0.8    | 1.1    |
| <b>(D) Measures of Investment</b>         |        |        |        |        |
| AEPS (Rs)                                 | 11.4   | 79.2   | 58.6   | 84.1   |
| CEPS (Rs)                                 | 44.9   | 113.4  | 100.7  | 134.0  |
| DPS (Rs)                                  | 2.3    | 6.5    | 4.0    | 4.0    |
| Dividend Payout (%)                       | 20.1   | 8.2    | 6.8    | 4.8    |
| BVPS (Rs)                                 | 434.3  | 535.3  | 589.9  | 670.0  |
| RoANW (%)                                 | 2.9    | 28.6   | 19.2   | 25.1   |
| RoACE (%)                                 | 6.1    | 21.1   | 16.8   | 20.4   |
| RoAIC (%)                                 | 7.5    | 31.3   | 23.5   | 29.9   |
| <b>(E) Valuation Ratios</b>               |        |        |        |        |
| CMP (Rs)                                  | 1301   | 1301   | 1301   | 1301   |
| P/E                                       | 114.5  | 16.4   | 22.2   | 15.5   |
| Mcap (Rs Mn)                              | 30,578 | 30,578 | 30,578 | 30,578 |
| MCap/ Sales                               | 2.6    | 2.2    | 1.9    | 1.4    |
| EV  | 35,331 | 36,101 | 37,476 | 36,722 |
| EV/Sales                                  | 3.0    | 2.6    | 2.3    | 1.7    |
| EV/EBITDA                                 | 19.0   | 9.0    | 10.3   | 7.6    |
| P/BV                                      | 3.0    | 2.4    | 2.2    | 1.9    |
| Dividend Yield (%)                        | 0.2    | 0.5    | 0.3    | 0.3    |
| <b>(F) Growth Rate (%)</b>                |        |        |        |        |
| Revenue                                   | (3.5)  | 16.7   | 19.2   | 35.0   |
| EBITDA                                    | 24.2   | 115.9  | (9.2)  | 32.5   |
| EBIT                                      | 27.3   | 200.0  | (17.2) | 37.6   |
| PBT                                       | 113.9  | 466.0  | (25.8) | 43.5   |
| APAT                                      | 96.3   | 596.4  | (26.0) | 43.5   |
| EPS                                       | 96.3   | 596.4  | (26.0) | 43.5   |

### Cash Flow

| (Rs Mn)      | FY20A   | FY21A   | FY22E   | FY23E   |
|--------------|---------|---------|---------|---------|
| CFO          | 2,021   | 3,772   | 2,845   | 4,034   |
| CFI          | (2,304) | (4,572) | (3,466) | (2,481) |
| CFE          | 99      | 3,217   | (367)   | (1,100) |
| FCFF         | (994)   | 1,988   | (703)   | 768     |
| Opening Cash | 295     | 128     | 2,542   | 1,554   |
| Closing Cash | 128     | 2,542   | 1,554   | 2,008   |

E – Estimates





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**Analyst(s) Certification**

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**I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)**

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