

Sectoral View	
Cement	Positive

Rating matrix				
Companies	Rating		Target Price	
	Old	Revised	Old	Revised
Shree Cement	Hold	Hold	19700	19000
JK Lakshmi Cement	Buy	Buy	495	470
Mangalam Cement	Buy	Buy	425	415
Jk Cement	Buy	Buy	1265	1235

What's Changed ?				
Companies	FY18E EPS		FY19E EPS	
	Old	New	Old	New
Shree Cement	423.5	397.1	504.3	495.5
JK Lakshmi Cement	9.5	8.8	20.6	20.4
Mangalam Cement	24.3	22.7	35.4	34.1
Jk Cement	50.7	48.5	57.2	54.8

Pet Coke Usage	
Company	Pet Coke Usage (%)
Shree Cement	100.0
JK Lakshmi Cement	80.0
Mangalam Cement	100.0
Jk Cement	75.0

Price performance				
	1M	3M	6M	12M
Shree Cement	0.1	4.0	-2.8	12.4
JK Cement	3.1	-1.0	0.5	16.9
JK Lakshmi Cem	12.0	-1.7	-9.1	-5.4
Mangalam Cement	4.1	4.3	6.8	19.5

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Pet coke ban to dent margins in short-term...

In order to curb pollution in north India, the Supreme Court (SC) has banned usage of petcoke in Rajasthan, Uttar Pradesh and Haryana. Cement companies have over the years significantly increased usage of pet coke due to its cost effectiveness against coal particularly for cement companies in Rajasthan (as companies in the state have to incur higher freight cost to source coal). Even at elevated prices of pet coke (that has increased 100% YoY), it is still cheaper than coal by ~10-15% on per kcal basis. Hence, the ban on pet coke will adversely impact power & fuel cost of cement companies and lead to an increase in cost per tonne to the extent of ₹ 150-200/t. However, we expect cement companies to pass on some part of the cost, which will result in net impact of ₹ 60-80/t. North based companies like Shree Cement, JK Cement, JK Lakshmi and Mangalam Cement will be the ones that will be impacted the most.

Impact on stocks under our coverage

- Shree Cement:** Shree Cement uses 100% pet coke. Hence, we expect maximum impact of the pet coke ban on Shree Cement. We revise our EBITDA margins downwards by 130 bps to 26% in FY18E from our previous estimate of 27% and revise EPS estimates of FY18E, FY19E downwards by 6%, 2% from our respective estimates
- JK Cement:** JK Cement uses 75% pet coke. Hence, we revise EPS estimates downwards for JK Cement by 4% for FY18E and FY19E
- JK Lakshmi Cement:** JK Lakshmi uses 80% pet coke. Accordingly, we revise EBITDA margins for FY18E and FY19E downwards by 50 bps and 41 bps and EPS downwards from ₹ 9.5 to ₹ 8.8 for FY18 and for FY19E from ₹ 20.6 to ₹ 20.4, respectively
- Mangalam Cement:** We revise our power cost by ₹ 150/t for Mangalam Cement. However, we expect price hike to limit the dent in EBITDA margins. Consequently, we revise our EBITDA margins for FY18E and FY19E by 76 bps and 71 bps, respectively

Continue to remain positive on cement sector

Although we expect the ban on pet coke to lead to higher power & fuel cost, we believe a price hike will partially mitigate the impact of higher cost. In addition, north-based cement companies are planning to appeal to Supreme Court for a reversal of the ban. Any reversal in the decision will be positive for north based companies. Further, the government's focus on road construction (83,677 km to be built over the next five years) and affordable housing (~2.2 crore houses to be built over the next two or three years) bodes well for cement demand. This, coupled with a revival in the rural economy (accounts for 40% of total sales), slowdown in capacity addition and consolidation in the industry augurs well for cement companies. Hence, we remain positive on the cement sector as a whole from a longer term perspective.

Financial summary – JK Cement

Profit and loss statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Total operating Income	3,521.2	3,703.6	4,359.5	4,748.2	
Growth (%)	5.5	5.2	17.7	8.9	
Raw material cost	675.6	693.2	745.7	829.3	
Employee Expenses	234.9	275.5	315.6	344.0	
Power, Oil & Fuel	743.5	625.3	856.3	914.1	
Freight cost	752.5	728.3	930.4	966.0	
Other Expenses	629.0	739.9	747.6	843.5	
Total Operating Exp.	3,035.5	3,062.1	3,595.7	3,896.9	
EBITDA	485.7	641.4	763.8	851.4	
Growth (%)	9.4	32.1	19.1	11.5	
Depreciation	164.1	176.1	195.4	209.6	
Interest	270.7	265.6	258.1	251.0	
Other Income	91.3	144.1	133.6	156.8	
Exceptional items	0.0	19.3	7.8	0.0	
PBT	142.1	324.4	436.1	547.6	
Total Tax	38.8	64.9	105.0	164.3	
PAT	103.3	259.6	331.2	383.3	
Growth (%)	-34.1	151.2	27.6	15.8	
Adjusted EPS (₹)	14.8	37.1	48.5	54.8	

Source: Company, ICICIdirect.com Research

Balance sheet		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Liabilities					
Equity Capital	69.9	69.9	69.9	69.9	
Reserve and Surplus	1,620.4	1,850.4	2,115.6	2,433.0	
Total Shareholders funds	1,690.3	1,920.3	2,185.5	2,502.9	
Total Debt	2,637.0	2,660.9	2,460.9	2,260.9	
Deferred Tax Liability	273.0	268.3	268.3	268.3	
Minority Interest / Others	0.0	0.0	0.0	0.0	
Total Liabilities	4,600.3	4,849.6	4,914.8	5,032.2	
Assets					
Gross Block	4,663.3	4,993.2	5,293.2	5,593.2	
Less: Acc Depreciation	1,142.6	1,318.7	1,514.2	1,723.7	
Net Block	3,520.6	3,674.5	3,779.0	3,869.5	
Capital WIP	152.4	104.8	104.8	104.8	
Total Fixed Assets	3,673.0	3,779.3	3,883.9	3,974.3	
Intangible Asset	2.0	5.6	5.6	5.6	
Investments	574.0	535.6	536.6	537.6	
Inventory	428.9	498.1	593.6	595.4	
Debtors	165.6	148.1	174.4	189.9	
Loans and Advances	351.8	450.9	508.2	536.4	
Cash	368.4	418.8	333.3	413.5	
Total Current Assets	1,314.8	1,516.0	1,609.4	1,735.3	
Creditors	860.6	865.1	1,018.8	1,109.7	
Provisions	102.9	121.8	101.9	111.0	
Total Current Liabilities	963.5	986.9	1,120.7	1,220.6	
Net Current Assets	351.4	529.1	488.7	514.7	
Application of Funds	4,600.4	4,849.6	4,914.8	5,032.2	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Profit after Tax	103.3	259.6	331.2	383.3	
Add: Depreciation	164.1	176.1	195.4	209.6	
(Inc)/dec in Current Assets	150.3	-150.7	-179.0	-45.7	
Inc/(dec) in CL and Provisions	80.5	23.4	133.8	99.9	
CF from operating activities	498.3	308.4	481.4	647.2	
(Inc)/dec in Investments	-63.4	-1.9	-1.0	-1.0	
(Inc)/dec in Fixed Assets	-310.0	-285.9	-300.0	-300.0	
Others	-202.9	35.4	0.0	0.0	
CF from investing activities	-576.2	-252.4	-301.0	-301.0	
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	98.1	23.9	-200.0	-200.0	
Dividend paid & dividend tax	-33.0	-66.0	-66.0	-66.0	
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0	
Others	-26.6	36.4	0.0	0.0	
CF from financing activities	38.5	-5.6	-266.0	-266.0	
Net Cash flow	-39.5	50.4	-85.6	80.2	
Opening Cash	407.9	368.4	418.8	333.3	
Closing Cash	368.4	418.8	333.3	413.5	

Source: Company, ICICIdirect.com Research

Key ratios					
(Year-end March)	FY16	FY17	FY18E	FY19E	
Per share data (₹)					
Adjusted EPS	14.8	37.1	48.5	54.8	
Cash EPS	38.2	62.3	75.3	84.8	
BV	241.7	274.6	312.5	357.9	
DPS	4.0	8.0	8.0	8.0	
Cash Per Share	52.7	59.9	47.7	59.1	
Operating Ratios (%)					
EBITDA Margin	13.8	17.3	17.5	17.9	
PAT Margin	2.9	7.0	7.6	8.1	
Inventory days	48.7	45.7	45.7	45.7	
Debtor days	17.2	14.6	14.6	14.6	
Creditor days	89.2	85.3	85.3	85.3	
Return Ratios (%)					
RoE	6.1	14.5	15.5	15.3	
RoCE	9.0	12.6	14.3	15.9	
RoIC	8.0	10.9	12.9	14.4	
Valuation Ratios (x)					
P/E	69.8	27.8	21.8	18.8	
EV / EBITDA	19.4	14.6	12.1	10.6	
EV / Net Sales	2.7	2.5	2.1	1.9	
Market Cap / Sales	2.0	1.9	1.7	1.5	
Price to Book Value	4.3	3.8	3.3	2.9	
Solvency Ratios					
Debt/EBITDA	5.4	4.1	3.2	2.7	
Debt / Equity	1.6	1.4	1.1	0.9	
Current Ratio	1.4	1.5	1.4	1.4	
Quick Ratio	1.0	1.1	1.1	1.1	

Source: Company, ICICIdirect.com Research

Financial summary – Shree Cement

Profit and loss statement		₹ Crore			
(Year-end March)	FY16 ^	FY17	FY18E	FY19E	
Total operating Income	5,513.6	8,474.2	9,720.2	11,826.0	
Growth (%)	-14.5	53.7	14.7	21.7	
Raw material cost	452.6	627.2	723.2	923.9	
Power & Fuel cost	1123.0	1444.3	1974.3	2307.3	
Freight cost	1141.6	1874.0	2387.8	2819.2	
Employees cost	369.9	537.2	585.6	644.2	
Others	1019.7	1579.3	1488.6	1795.0	
Total Operating Exp.	4,106.7	6,061.9	7,159.5	8,489.5	
EBITDA	1,406.9	2,412.3	2,560.7	3,336.4	
Growth (%)	5.1	71.5	6.2	30.3	
Depreciation	827.6	1,214.7	940.4	1,349.9	
Interest	75.8	129.4	136.3	131.5	
Other Income	672.7	462.7	395.9	540.0	
PBT	1,176.3	1,530.9	1,879.9	2,395.0	
Others	0.0	0.0	0.0	0.0	
Total Tax	33.1	191.7	497.8	670.6	
PAT	1,143.1	1,339.2	1,382.1	1,724.4	
Adjusted PAT	1,143.1	1,339.2	1,382.1	1,724.4	
Growth (%)	168.1	17.2	3.2	24.8	
Adjusted EPS (₹)	328.5	384.8	397.1	495.5	

Source: Company, ICICIdirect.com Research

Balance sheet		₹ Crore			
(Year-end March)	FY16 ^	FY17	FY18E	FY19E	
Liabilities					
Equity Capital	34.8	34.8	34.8	34.8	
Reserve and Surplus	6,810.7	7,663.4	8,921.3	10,438.8	
Total Shareholders funds	6,845.5	7,698.2	8,956.2	10,473.7	
Total Debt	1,645.1	1,658.1	1,658.1	1,658.1	
Deferred Tax Liability	-371.8	-507.7	-507.7	-507.7	
Minority Interest / Others	0.0	0.0	0.0	0.0	
Total Liabilities	8,118.8	8,848.6	10,106.5	11,624.1	
Assets					
Gross Block	9,535.8	10,299.5	13,209.9	15,209.9	
Less: Acc Depreciation	6,485.6	7,700.4	8,640.7	9,990.7	
Net Block	3,050.1	2,599.1	4,569.2	5,219.3	
Capital WIP	264.5	710.4	0.0	0.0	
Total Fixed Assets	3,314.6	3,309.6	4,569.2	5,219.3	
Investments	3,030.5	4,042.6	4,242.6	4,592.6	
Inventory	815.2	1,314.5	1,507.3	1,833.8	
Debtors	328.6	335.1	383.5	466.6	
Loans and Advances	380.2	336.3	340.2	473.0	
Other Current Assets	1,139.3	1,209.4	1,069.2	1,182.6	
Cash	83.0	111.0	111.6	174.4	
Total Current Assets	2,746.4	3,306.3	3,411.8	4,130.4	
Creditors	733.8	737.8	846.9	1,030.3	
Provisions	238.9	1,072.1	1,270.3	1,287.9	
Total Current Liabilities	972.7	1,809.9	2,117.1	2,318.2	
Net Current Assets	1,773.7	1,496.4	1,294.7	1,812.2	
Application of Funds	8,118.8	8,848.6	10,106.5	11,624.0	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY16 ^	FY17	FY18E	FY19E	
Profit after Tax	1,143.1	1,339.2	1,382.1	1,724.4	
Add: Depreciation	827.6	1,214.7	940.4	1,349.9	
Add: Interest	75.8	129.4	136.3	131.5	
(Inc)/dec in Current Assets	-346.2	-531.9	-104.9	-655.8	
Inc/(dec) in CL and Provisions	-280.1	837.3	307.2	201.1	
CF from operating activities	1,420.1	2,988.7	2,661.1	2,751.1	
(Inc)/dec in Investments	-1,367.9	-1,012.1	-200.0	-350.0	
(Inc)/dec in Fixed Assets	-626.7	-1,209.7	-2,200.0	-2,000.0	
Others	-176.6	-135.9	0.0	0.0	
CF from investing activities	-2,171.2	-2,357.7	-2,400.0	-2,350.0	
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	176.4	13.0	0.0	0.0	
Dividend paid & dividend tax	-99.3	-579.3	-124.1	-206.9	
Inc/(dec) in Sec. premium	525.4	92.8	0.0	0.0	
Others	-75.8	-129.4	-136.3	-131.5	
CF from financing activities	526.8	-602.9	-260.5	-338.4	
Net Cash flow	-224.3	28.0	0.6	62.7	
Opening Cash	307.3	83.0	111.0	111.6	
Closing Cash	83.0	111.0	111.6	174.4	

Source: Company, ICICIdirect.com Research

Key ratios		₹ Crore			
(Year-end March)	FY16 ^	FY17	FY18E	FY19E	
Per share data (₹)					
EPS	328.5	384.8	397.1	495.5	
Cash EPS	566.3	733.9	667.4	883.4	
BV	1,967.1	2,212.1	2,573.6	3,009.7	
DPS	24.0	140.0	30.0	50.0	
Cash Per Share	23.9	31.9	32.1	50.1	
Operating Ratios (%)					
EBITDA Margin	25.5	28.5	26.3	28.2	
PAT Margin	20.7	15.8	14.2	14.6	
Inventory days	54.0	56.6	56.6	56.6	
Debtor days	21.8	14.4	14.4	14.4	
Creditor days	48.6	31.8	31.8	31.8	
Return Ratios (%)					
RoE	16.7	17.4	15.4	16.5	
RoCE	6.8	12.8	15.3	16.4	
RoIC	7.2	15.2	16.5	17.6	
Valuation Ratios (x)					
P/E	53.4	45.6	44.2	35.4	
EV / EBITDA	42.4	24.3	22.8	17.4	
EV / Net Sales	10.8	6.9	6.0	4.9	
Market Cap / Sales	11.1	7.2	6.3	5.2	
Price to Book Value	8.9	7.9	6.8	5.8	
Solvency Ratios					
Debt/EBITDA	1.2	0.7	0.6	0.5	
Debt / Equity	0.2	0.2	0.2	0.2	
Current Ratio	2.8	1.8	1.6	1.8	
Quick Ratio	2.0	1.1	0.9	1.0	

Source: Company, ICICIdirect.com Research

Financial summary – Mangalam Cement

Profit and loss statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Total operating Income	833.0	900.9	1,052.1	1,196.5	
Growth (%)	-8.3	8.1	16.8	13.7	
Raw material	209.8	161.7	155.6	201.2	
Power & Fuel	177.6	199.4	280.9	307.6	
Employees	72.5	77.9	87.1	89.6	
Freight	250.2	263.4	293.0	323.4	
Others	87.0	84.6	81.5	89.4	
Total Operating Exp.	797.1	787.2	898.1	1,011.2	
EBITDA	36.0	113.7	154.0	185.3	
Growth (%)	-53.3	216.1	35.4	20.3	
Depreciation	36.7	40.3	43.1	46.6	
Interest	45.9	47.5	48.5	36.1	
Other Income	15.7	22.3	22.4	24.0	
Exceptional items	0.0	0.0	0.0	0.0	
PBT	-30.9	48.2	84.8	126.6	
Total Tax	-9.9	13.8	24.1	35.4	
PAT	-21.0	34.4	60.7	91.1	
Growth (%)	N.A	N.A	76.7	50.1	
Adjusted EPS (₹)	-7.9	12.9	22.7	34.1	

Source: Company, ICICIdirect.com Research

Balance sheet		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Liabilities					
Equity Capital	26.7	26.7	26.7	26.7	
Reserve and Surplus	453.4	479.3	533.8	618.6	
Total Shareholders funds	480.1	506.0	560.4	645.3	
Total Debt	345.2	390.9	310.9	240.9	
Deferred Tax Liability	52.3	36.8	36.8	36.8	
Other Liabilities	76.8	73.5	73.5	73.5	
Total Liabilities	954.4	1,007.1	981.6	996.5	
Assets					
Gross Block	1,224.9	1,283.3	1,412.1	1,502.1	
Less: Acc Depreciation	429.5	469.8	512.9	559.5	
Net Block	795.5	813.5	899.2	942.6	
Capital WIP	20.0	48.8	10.0	10.0	
Total Fixed Assets	815.5	862.3	909.2	952.6	
Investments	35.6	36.8	36.8	36.8	
Inventory	115.9	101.6	152.7	136.5	
Debtors	34.7	34.3	46.4	45.4	
Loans and Advances	181.4	121.3	131.2	108.1	
Other Current Assets	15.5	31.6	52.5	7.3	
Cash	14.3	25.1	28.5	38.7	
Total Current Assets	361.8	314.0	411.3	336.0	
Creditors	247.5	143.0	313.0	205.6	
Provisions	11.0	62.9	62.6	123.3	
Total Current Liabilities	258.5	205.9	375.6	328.9	
Net Current Assets	103.3	108.0	35.6	7.1	
Application of Funds	954.4	1,007.1	981.6	996.4	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Profit after Tax	-21.0	34.4	60.7	91.1	
Add: Depreciation	36.7	40.3	43.1	46.6	
(Inc)/dec in Current Assets	33.3	58.7	-93.9	85.4	
Inc/(dec) in CL and Provisions	29.8	-52.6	169.7	-46.7	
CF from operating activities	78.7	80.7	179.7	176.4	
(Inc)/dec in Investments	0.2	-5.5	0.0	0.0	
(Inc)/dec in Fixed Assets	-64.7	-87.2	-90.0	-90.0	
Others	-12.7	-14.4	0.0	0.0	
CF from investing activities	-77.1	-107.1	-90.0	-90.0	
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	0.5	45.6	-80.0	-70.0	
Dividend paid & dividend tax	-1.6	-2.4	-6.2	-6.2	
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0	
Others	-9.0	-6.1	0.0	0.0	
CF from financing activities	-10.0	37.1	-86.2	-76.2	
Net Cash flow	-8.5	10.8	3.4	10.2	
Opening Cash	22.8	14.3	25.1	28.5	
Closing Cash	14.3	25.1	28.5	38.7	

Source: Company, ICICIdirect.com Research

Key ratios					
(Year-end March)	FY16	FY17	FY18E	FY19E	
Per share data (₹)					
Adjusted EPS	-7.9	12.9	22.7	34.1	
Cash EPS	5.8	28.0	38.9	51.6	
BV	179.8	189.5	209.9	241.7	
DPS	0.5	0.7	2.0	2.0	
Cash Per Share	5.4	9.4	10.7	14.5	
Operating Ratios (%)					
EBITDA Margin	4.3	12.6	14.6	15.5	
PAT Margin	-2.5	3.8	5.8	7.6	
Inventory days	60.1	44.1	44.1	44.1	
Debtor days	13.9	14.0	14.0	14.0	
Creditor days	100.9	79.1	79.1	79.1	
Return Ratios (%)					
RoE	-4.4	6.8	10.8	14.1	
RoCE	1.7	10.2	14.7	17.6	
RoIC	-0.1	8.6	12.8	16.0	
Valuation Ratios (x)					
P/E	0.0	27.8	15.7	10.5	
EV / EBITDA	35.8	11.6	8.0	6.2	
EV / Net Sales	1.5	1.5	1.2	1.0	
Market Cap / Sales	1.1	1.1	0.9	0.8	
Price to Book Value	2.0	1.9	1.7	1.5	
Solvency Ratios					
Debt/EBITDA	9.6	3.4	2.0	1.3	
Debt / Equity	0.7	0.8	0.6	0.4	
Current Ratio	1.4	1.5	1.1	1.0	
Quick Ratio	1.3	1.4	1.0	0.9	

Source: Company, ICICIdirect.com Research

Financial summary – JK Lakshmi

Profit and loss statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Total operating Income	2,619.9	2,910.4	3,502.0	4,098.4	
Growth (%)	13.6	11.1	20.3	17.0	
Raw material	692.6	762.0	799.4	918.9	
Power & Fuel	546.6	567.0	862.5	979.2	
Employees	195.4	208.4	243.7	262.1	
Freight	657.5	720.1	898.2	1018.8	
Others	256.5	287.6	254.3	296.7	
Total Operating Exp.	2,348.7	2,545.0	3,058.1	3,475.8	
EBITDA	271.1	365.4	443.9	622.6	
Growth (%)	-22.4	34.8	21.5	40.3	
Depreciation	162.9	172.4	180.6	190.3	
Interest	196.7	188.7	195.8	175.8	
Other Income	48.6	69.8	72.0	72.0	
Exceptional items	10.7	0.0	0.0	0.0	
PBT	-50.6	74.2	139.6	328.6	
Total Tax	-43.1	-7.8	35.6	88.7	
PAT	-7.5	82.0	104.0	239.9	
Adjusted PAT	4.2	82.0	104.0	239.9	
Growth (%)	-97.4	1,866.4	26.9	130.5	
Adjusted EPS (₹)	0.4	7.0	8.8	20.4	

Source: Company, ICICIdirect.com Research

Balance sheet		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Liabilities					
Equity Capital	58.9	58.9	58.9	58.9	
Reserve and Surplus	1,245.3	1,322.8	1,415.9	1,644.7	
Total Shareholders funds	1,304.1	1,381.7	1,474.7	1,703.6	
Total Debt	1,818.4	2,106.6	1,906.6	1,706.6	
Deferred Tax Liability	16.3	0.0	0.0	0.0	
Minority Interest / Others	0.0	0.0	0.0	0.0	
Total Liabilities	3,138.8	3,488.3	3,381.3	3,410.1	
Assets					
Gross Block	4,343.2	4,612.4	5,017.5	5,267.5	
Less: Acc Depreciation	1,613.7	1,786.0	1,966.6	2,156.9	
Net Block	2,729.5	2,826.3	3,050.9	3,110.6	
Capital WIP	283.1	205.1	0.0	0.0	
Total Fixed Assets	3,012.6	3,031.4	3,050.9	3,110.6	
Investments	254.7	499.7	499.7	549.7	
Inventory	240.6	277.6	346.0	383.8	
Debtors	96.5	89.5	135.0	127.7	
Loans and Advances	310.1	366.7	368.7	205.0	
Non current Investments	182.2	309.5	309.5	309.5	
Cash	11.8	9.0	68.9	67.3	
Total Current Assets	841.1	1,052.3	1,228.1	1,093.4	
Creditors	948.2	1,061.1	1,356.7	1,304.4	
Provisions	21.4	34.0	40.7	39.1	
Total Current Liabilities	969.6	1,095.1	1,397.4	1,343.6	
Net Current Assets	-128.5	-42.9	-169.3	-250.1	
Application of Funds	3,138.8	3,488.3	3,381.3	3,410.1	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Profit after Tax	-6.6	82.0	104.0	239.9	
Add: Depreciation	162.9	172.4	180.6	190.3	
(Inc)/dec in Current Assets	58.1	-86.7	-116.0	133.2	
Inc/(dec) in CL and Prov.	77.9	125.5	302.3	-53.8	
CF from operating activities	292.3	293.2	470.9	509.5	
(Inc)/dec in Investments	-14.1	-372.3	0.0	-50.0	
(Inc)/dec in Fixed Assets	-231.5	-191.2	-200.0	-250.0	
Others	-112.2	-16.3	0.0	0.0	
CF from investing activities	-357.8	-579.8	-200.0	-300.0	
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	82.0	288.2	-200.0	-200.0	
Dividend paid	-3.4	-10.3	-11.0	-11.0	
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0	
Others	-16.6	5.9	0.0	0.0	
CF from financing activities	62.0	283.8	-211.0	-211.0	
Net Cash flow	-3.5	-2.8	59.9	-1.5	
Opening Cash	15.3	11.8	9.0	68.9	
Closing Cash	11.8	9.0	68.9	67.3	

Source: Company, ICICIdirect.com Research

Key ratios					
(Year-end March)	FY16	FY17	FY18E	FY19E	
Per share data (₹)					
Adjusted EPS	13.5	0.4	7.0	8.8	
Cash EPS	13.3	21.6	24.2	36.5	
BV	110.8	117.4	125.3	144.7	
DPS	0.3	0.8	0.8	0.0	
Cash Per Share	1.0	0.8	5.9	5.7	
Operating Ratios (%)					
EBITDA Margin	10.4	12.6	12.7	15.2	
PAT Margin	-0.3	2.8	3.0	5.9	
Inventory days	32.3	32.5	32.5	32.5	
Debtor days	11.6	11.7	11.7	11.7	
Creditor days	124.9	126.0	126.0	118.5	
Return Ratios (%)					
RoE	0.3	5.9	7.1	14.1	
RoCE	5.0	7.5	9.9	14.8	
RoIC	4.2	7.0	9.4	15.5	
Valuation Ratios (x)					
P/E	1,151.6	58.6	46.2	20.0	
EV / EBITDA	23.4	17.5	13.8	9.5	
EV / Net Sales	2.4	2.2	1.8	1.4	
Market Cap / Sales	1.8	1.6	1.4	1.2	
Price to Book Value	3.7	3.5	3.3	2.8	
Solvency Ratios					
Debt/EBITDA	6.7	5.8	4.3	2.7	
Debt / Equity	1.4	1.5	1.3	1.0	
Current Ratio	0.7	0.7	0.7	0.6	
Quick Ratio	0.7	0.7	0.6	0.5	

Source: Company, ICICIdirect.com Research

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