CENTRUM

Solar Industries India

On a strong growth trajectory

Annual Report Analysis

India I Capital Goods

17 June, 2022

Institutional Research

BUY

Price: Rs2,748
Target Price: Rs3,400
Forecast return: 24%

The FY22 annual report of Solar Industries India (SOIL) focusses on the company's robust growth journey through its enhanced offerings and rising opportunities. After a strong FY22 (57%/60% YoY revenue/PAT growth), it aims to continue its robust and profitable growth journey with a target to deliver 30% YoY revenue growth in FY23. The growth is likely to be aided by (1) rising capex in India for infrastructure, real estate, mining and allied industries, which would propel explosives demand, (2) widening presence in overseas markets through new plants and (3) a scale up in the defence business led by government's accelerating indigenization and SOIL's broadening product portfolio.

Industrial explosives continues to offer robust growth prospects

In the domestic market, the industrial explosive consuming end user industries such as mining, construction, roads, railways, ports, airports etc have a healthy capex outlay lined up. This will result in good demand for industrial explosives, of which SOIL will be a major beneficiary due to its market leadership position. During FY22, SOIL won large orders worth Rs14.7bn from Coal India to supply explosives over a two-year period, leading to a 202% YoY jump in its domestic explosive order book to Rs25.1bn, its highest ever level. Post FY22, it has received another large explosives order worth Rs15.6bn from Singareni Collieries (supply over two years) in May'22, which has further enhanced its revenue visibility. In international markets, SOIL continues to widen its presence and has a new cartridge explosive plant proposed in Australia and a foray planned in Thailand, which would expand SOIL's manufacturing base to 10 countries.

Accelerating indigenization to boost defence business

Defence indigenization has been rising with 25% of defence R&D budget earmarked for private sector, 68% of defence capex assigned for domestic procurement and $25bn turnover aimed by 2025. SOIL's defence capabilities are rising and product portfolio is widening with FY22 marking successful commercial production of multi-mode hand grenades as well as foray in drones and loitering munitions.

Cash flow and working capital analysis over FY12-22

Over FY12-22, OCF has risen by 20% CAGR compared to 15%/16% CAGR in revenue/PAT. Ex-cash NWC cycle has remained broadly stable at 100 days. Over FY12-22, OCF/EBITDA was 61% while OCF/PAT was 107%. Over FY12-22, the conversion of OCF (Rs24.6bn) to FCF (Rs4bn) was 16% as explosives industry is capex intensive. Fixed asset turns are in the range of 2x. Return ratios are decent with FY22 RoE/pre-tax RoCE of 25% each.

Reiterate BUY rating with a target price of Rs3,400

We expect a strong revenue/earnings CAGR of 22%/29% over FY22-24E. The valuations are likely to remain rich as SOIL offers (1) market leadership, strong growth prospects and robust margin profile in a licensed-controlled explosive industry with high entry barriers and (2) imminent defence scale-up. We reiterate BUY rating on the stock with a target price of Rs3,400 based on 42x FY24E earnings (1.4x PEG ratio).

Financial and valuation summary

YE Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Revenues	22,373	25,156	39,476	48,816	58,623
EBITDA	4,343	5,146	7,473	9,275	11,666
EBITDA margin (%)	19.4	20.5	18.9	19.0	19.9
Adj. Net profit	2,674	2,764	4,413	5,635	7,319
Adj. EPS (Rs)	29.6	30.5	48.8	62.3	80.9
EPS growth (%)	(0.1)	3.3	59.7	27.7	29.9
PE (x)	93.5	90.5	56.7	44.4	34.2
EV/EBITDA (x)	58.7	49.8	34.5	27.9	22.2
PBV (x)	18.1	15.8	13.1	10.4	8.3
RoE (%)	20.4	18.7	25.3	26.1	27.0
RoCE (%)	17.1	14.4	18.6	19.6	20.9

Source: Bloomberg, Centrum Broking

Market Data

Bloomberg:	SOIL IN
52 week H/L:	3,192/1,546
Market cap:	Rs248.7bn
Shares Outstanding:	90.5mn
Free float:	26.9%
Avg. daily vol. 3mth:	54,998

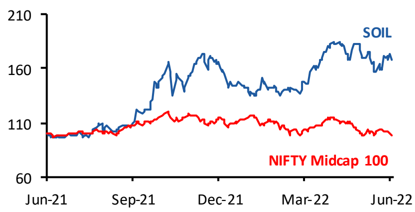
Source: Bloomberg

Changes in the report

Rating:	Unchanged
Target price:	Unchanged
EPS:	Unchanged

Source: Centrum Broking

SOIL relative to Nifty 50



Source: Bloomberg

Shareholding pattern

	Mar-22	Dec-21	Sep-21	Jun-21
Promoter	73.2	73.2	73.2	73.2
FIIs	6.3	6.4	5.8	5.5
DIIs	15.0	15.4	16.2	16.7
Public/other	5.6	5.1	4.9	4.7

Source: BSE

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Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY23E New	FY23E Old	% chg	FY24E New	FY24E Old	% chg
Revenue	48,816	48,816	-	58,623	58,623	-
EBITDA	9,275	9,275	-	11,666	11,666	-
EBITDA margin	19.0	19.0	-	19.9	19.9	-
Adj. PAT	5,635	5,635	-	7,319	7,319	-
Diluted EPS (Rs)	62.3	62.3	-	80.9	80.9	-

Source: Centrum Broking

Solar Industries India versus NIFTY Midcap 100

	1m	6m	1 year
HAVL IN	(3.4)	7.7	71.0
NIFTY Midcap 100	(7.2)	(10.3)	(2.3)

Source: Bloomberg, NSE

Centrum vs consensus

YE Mar (Rs bn)	Centrum FY23E	Consensus FY23E	Variance (%)	Centrum FY24E	Consensus FY24E	Variance (%)
Revenue	48,816	49,084	-0.5	58,623	57,017	2.8
EBITDA	9,275	9,433	-1.7	11,666	11,367	2.6
EBITDA Margin	19.0	19.2	(20bps)	19.9	19.9	-
PAT	5,635	5,794	-2.7	7,319	7,092	3.2
EPS	62.3	63.9	-2.6	80.9	78.3	3.3

Source: Bloomberg, Centrum Broking

Key assumptions

Y/E Mar	FY23E	FY24E
Revenue growth YoY (%)		
Sales to Coal India	15.0	13.0
Institutional sales	15.0	13.0
Infra & Housing	20.0	18.0
Exports & Overseas	27.5	26.1
Defence	60.7	25.0

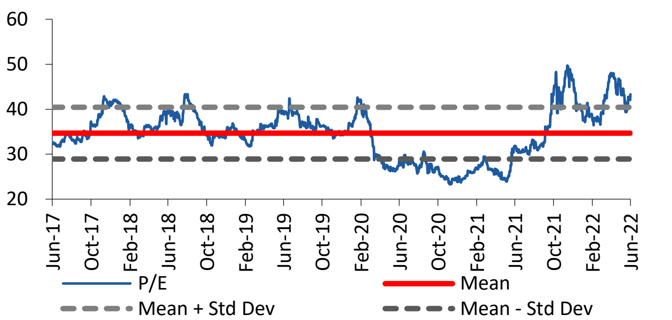
Source: Centrum Broking

Valuations

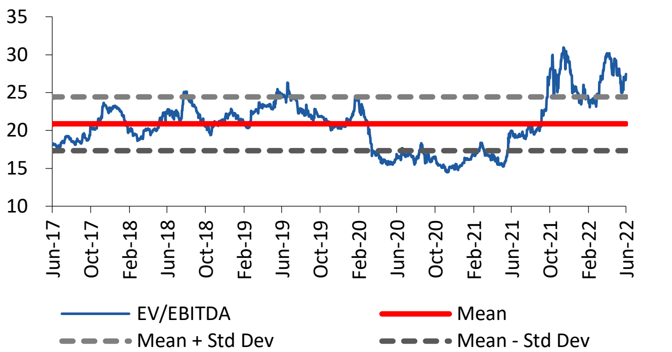
We value SOIL at 42x FY24E EPS and arrive at the target price of Rs3,400.

Valuations	Rs/share
FY24E EPS	80.9
PE (x)	42
Target price per share	3,400

P/E mean and standard deviation



EV/EBITDA mean and standard deviation



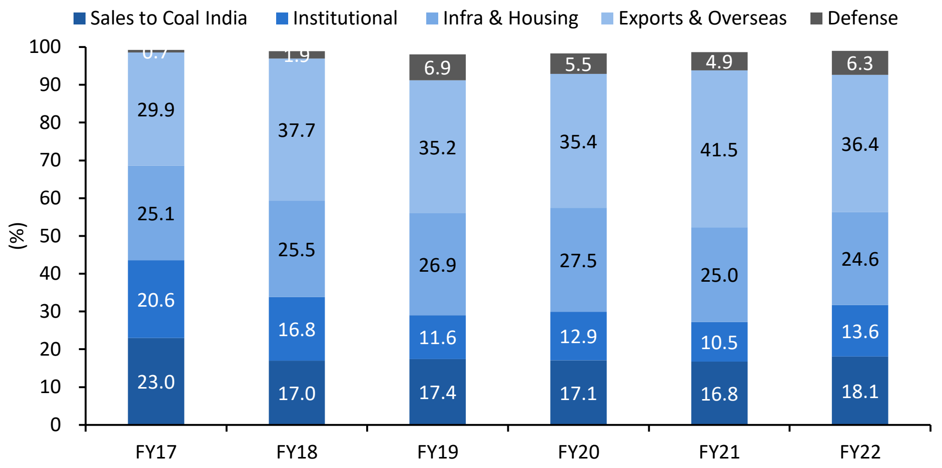
Source: Bloomberg, Centrum Broking

Segment wise highlights from Annual Report

Domestic market

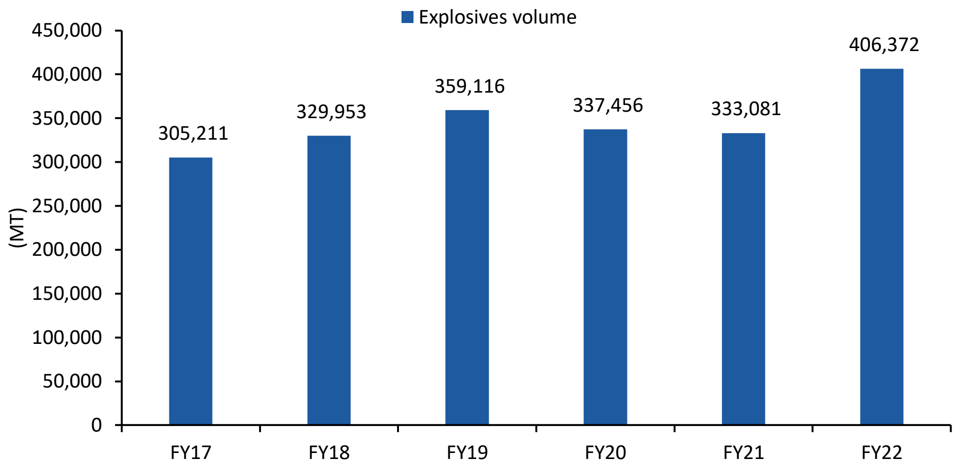
The Indian economy offers promising prospects for growth of SOIL. With better opportunities, the government's focus on sectors like infrastructure and real estate and emphasis on Atmanirbhar Bharat, Make in India, PM GatiShakti National Master Plan, Pradhan Mantri Awas Yojana, and Housing for All, SOIL will capitalise on emerging opportunities within the country. Enormous push given for infrastructure development with great emphasis on Roads, Railways, Ports, Airports, among others will aid growth. Doubling of highway construction to 25,000 KMs in FY 2022-23 and plan to construct 80 lakh houses for weaker sections will result in good demand for explosives.

Exhibit 1: SOIL's sales mix across product categories



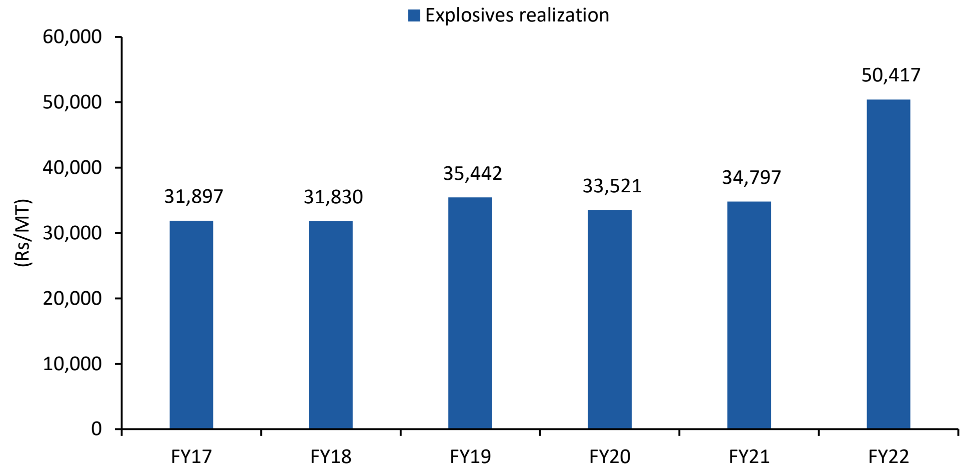
Source: Company Data, Centrum Broking

Exhibit 2: Domestic explosives volume trend - healthy uptick in FY22



Source: Company Data, Centrum Broking

Exhibit 3: Domestic explosives realization trend – Sharp rise in FY22

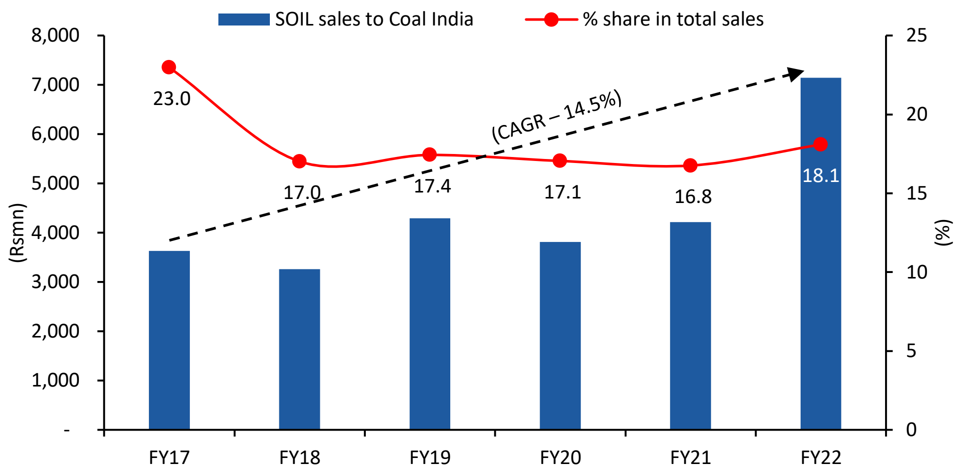


Source: Company Data, Centrum Broking

Coal demand

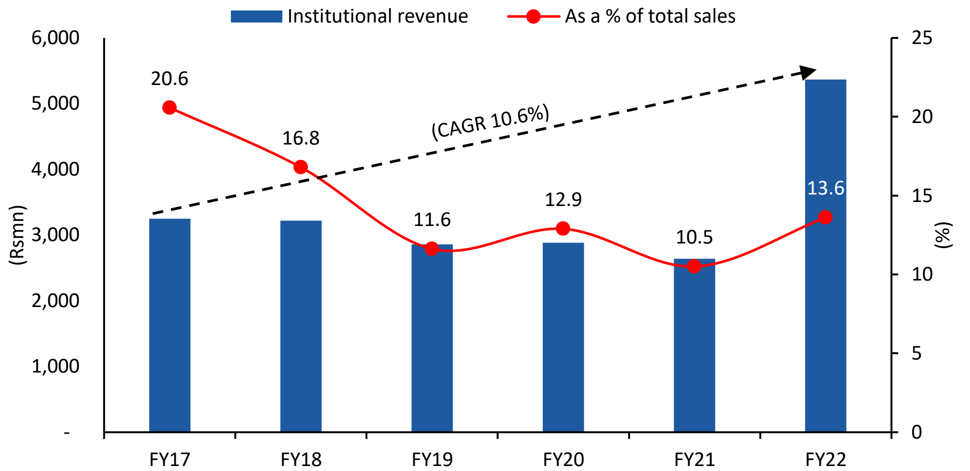
Rapid urbanisation and industrialisation has increased the demand for metals and minerals. Despite the preference for renewable energy, the demand for coal has not slumped. It is still widely used for the generation of electricity as well as for industrial operations. As a result, coal mining is expected to continue to grow as a dominant fuel in our energy basket. As per the economic survey 2022, India will need 1.5 Billion Tons of Coal by 2030 despite push on renewals. Domestic Coal is expected to grow by 10% annually.

Exhibit 4: Revenue from Coal India has been steady at 17-18% of total sales



Source: Company Data, Centrum Broking

Exhibit 5: Revenue from Institutional sales (miners except Coal India)



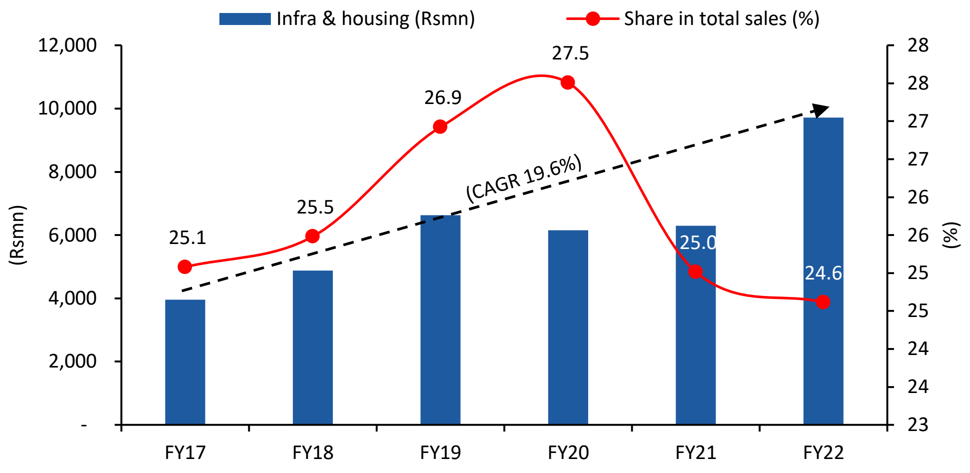
Source: Company Data, Centrum Broking

Infrastructure and Housing

The key sectors driving packaged explosive demand for the infrastructure and housing segment as well as their medium term outlook is summarised below:

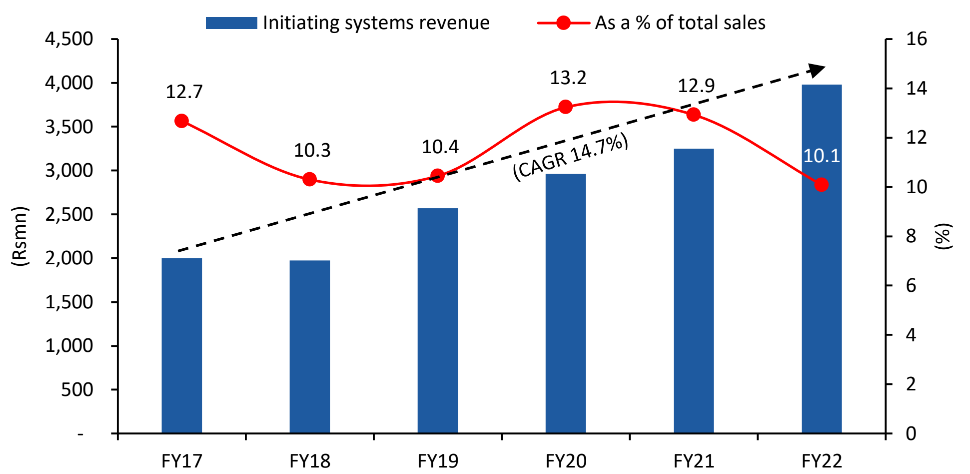
- Real Estate - Growing at 30% CAGR, market size likely to touch US$ 1 trn by 2030 and contribute 13% to GDP
- Cement & Limestone - 80MT capacity addition likely by FY24, highest in ten years
- Steel and Iron Ore - The government has set a target of (a) increasing crude steel production to 300 MT by 2030 which will require 444 Million Tons of Iron Ore and 180 Million Tons of Limestone and (b) raising rural steel consumption from 19.6 kg per capita to 38 kg per capita by 2030-31
- Construction - Sector likely to grow at 7.1% per year to become world's third largest market by 2025
- Road & infrastructure - 7% CAGR likely between 2022-27, budgeted expenditure of US$ 1.4 trn between 2020-25
- Housing - Rs480bn allocation for PMAY urban & rural schemes
- Mining - Significant scope for new mining capacities in iron ore, bauxite and coal. Considerable opportunities for future discoveries of sub-surface deposits.

Exhibit 6: Revenue from Infra & Housing segment – Back on a growth path



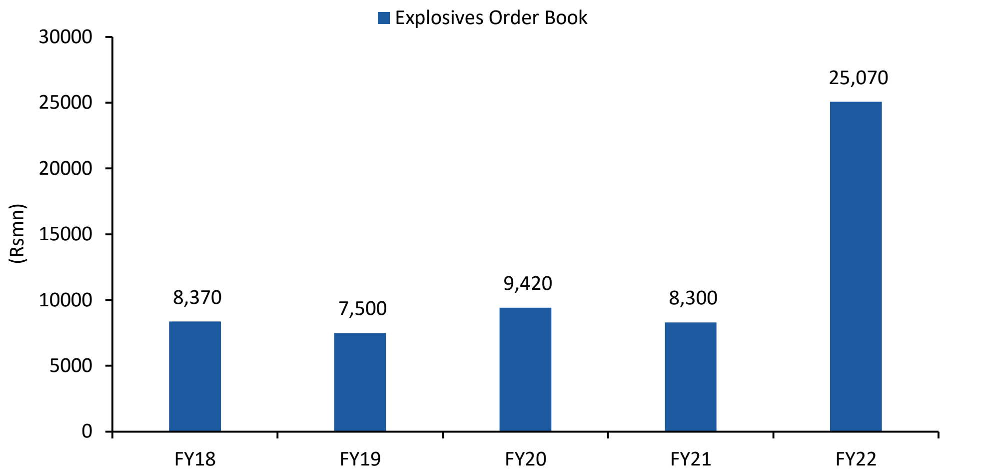
Source: Company Data, Centrum Broking

Exhibit 7: Initiating systems revenue has grown consistently at 15% CAGR over FY17-22



Source: Company Data, Centrum Broking

Exhibit 8: Domestic explosives order book trend – FY22 boosted by Rs14.7bn CIL order

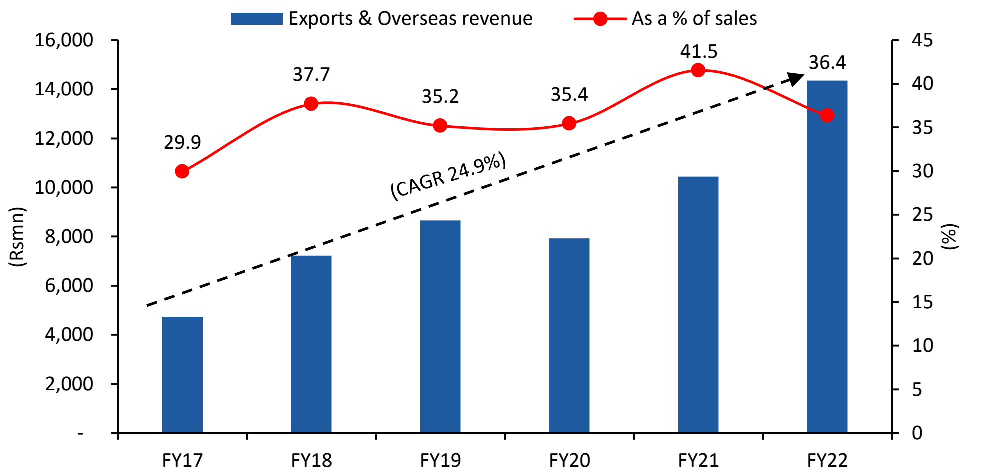


Source: Company Data, Centrum Broking

Exports and Overseas markets

Growing population and fast urbanisation are two factors that create enormous prospects for industrial and commercial operations that require explosives. There has been a steady demand growth from the mining end-use industry. This growth has been observed more in the European region and East Asian countries. Moreover, looking at the types of explosives, demand for bulk explosives is likely to grow at rapid pace, particularly from the coal mining and metal mining industry. Growth in the construction industry is expected to have a positive impact on the demand for industrial explosives market. Demand is increasing due to ongoing developments in the transportation, commercial, and residential sectors. In the past few years, the tunnel making sector has grown owing to high transportation development activities for railways and roadways. Roadway development is being carried out on a large scale in developing countries such as China, UAE, Saudi Arabia, and India. The global industrial explosive market is expected to reach US$16bn by 2027, growing at 5.4% CAGR over 2021-27. Demand in the Asia Pacific region is also expected to surge due to the development of housing and infrastructure projects and improvements in the public transit systems including railways and roadways. It is also expected to increase the number of road development projects and tunnelling activities, which are heavily reliant on the usage of industrial explosives.

Exhibit 9: Exports & Overseas revenues have clocked robust CAGR of 25% over FY17-22



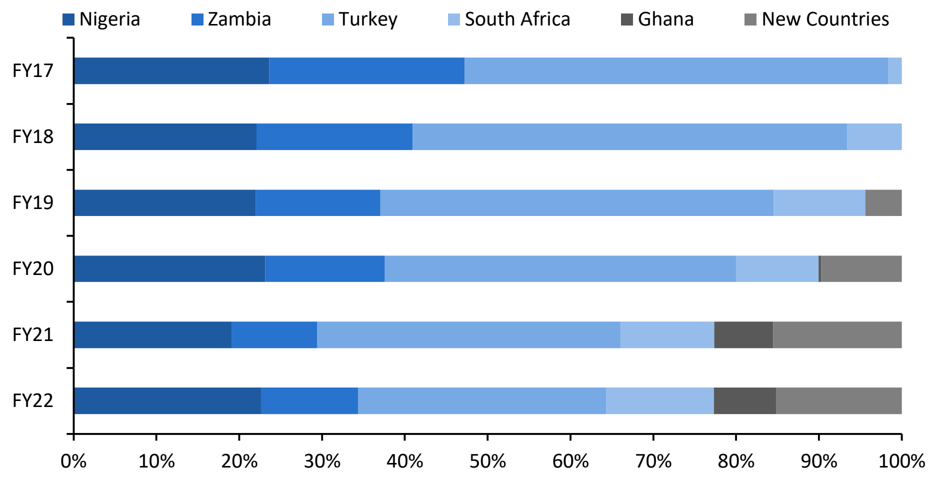
Source: Company Data, Centrum Broking

The global economy is poised for a moderate growth (4.4% likely in 2022 vs. 5.9% in 2021) due to rising inflation, rising energy prices, supply disruption and monetary tightening. Among countries where SOIL has presence, economic outlook is good in Australia, South Africa, Ghana and Tanzania, while the economy growth for 2022 looks challenging for Turkey, Nigeria and Zambia.

SOIL has proposed a cartridge plant in Australia, which will be a key investment area to aid SOIL's growth and shorten the delivery time to the customers. Besides upcoming plants at Australia and Indonesia, SOIL has also planned a manufacturing plant in Thailand.

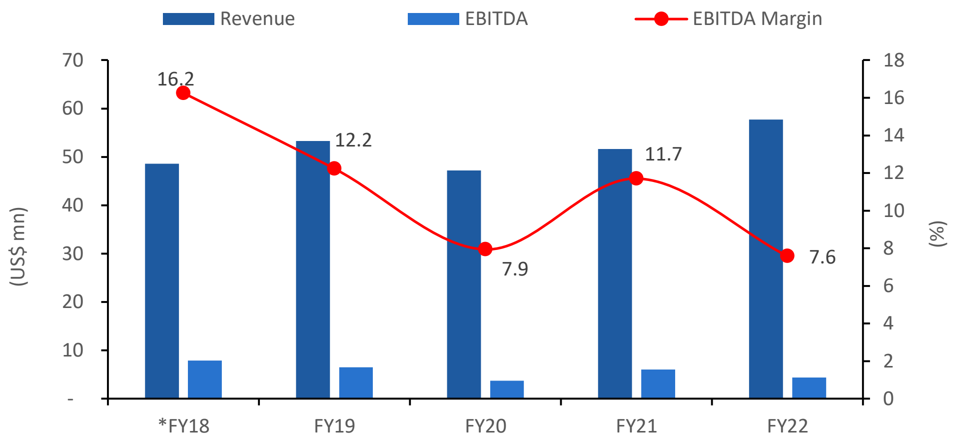
Country-wise sales and operating profit trend

Exhibit 10: Country wise sales mix



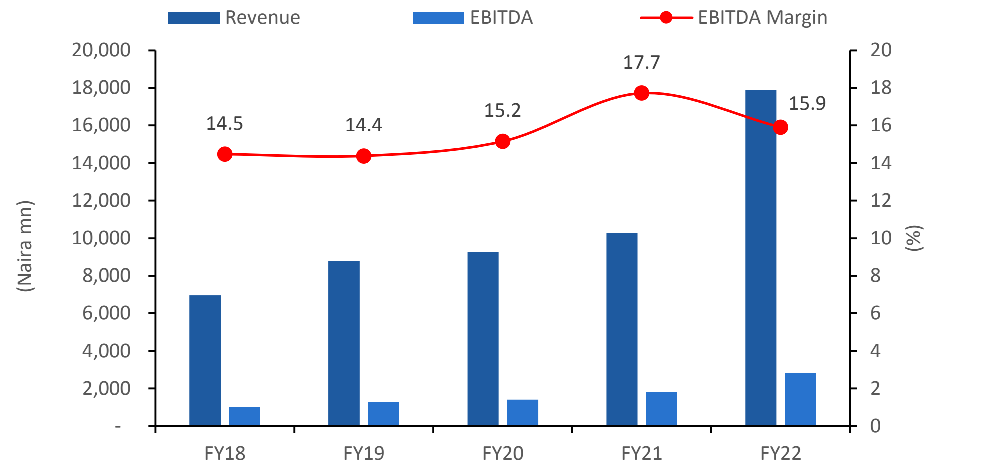
Source: Company Data, Centrum Broking

Exhibit 11: Turkey – Flattish revenue due to currency devaluation, margin in 8-12% range



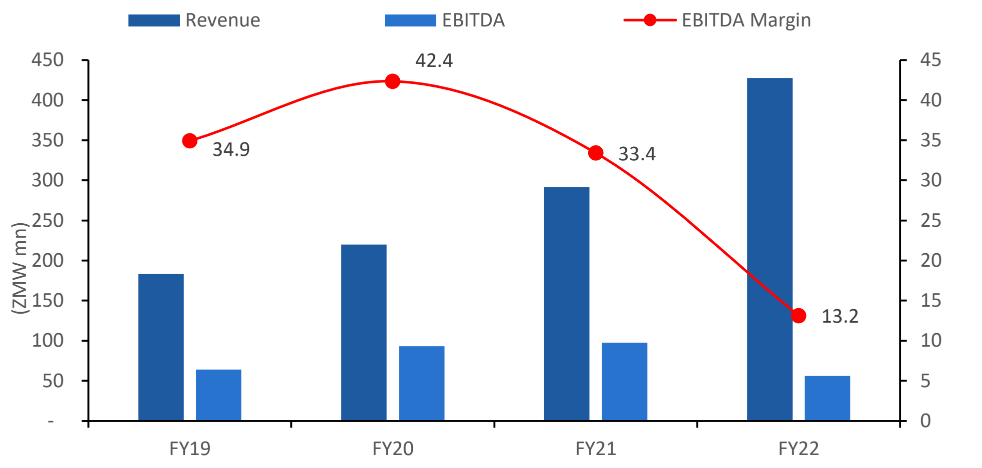
Source: Company Data, Centrum Broking.
* Note - Revenue and EBITDA comprises data from two companies namely Solar Patlayici and Solar Madencilik.

Exhibit 12: Nigeria – 26% revenue CAGR over FY18-22, EBITDA margin healthy at ~15%



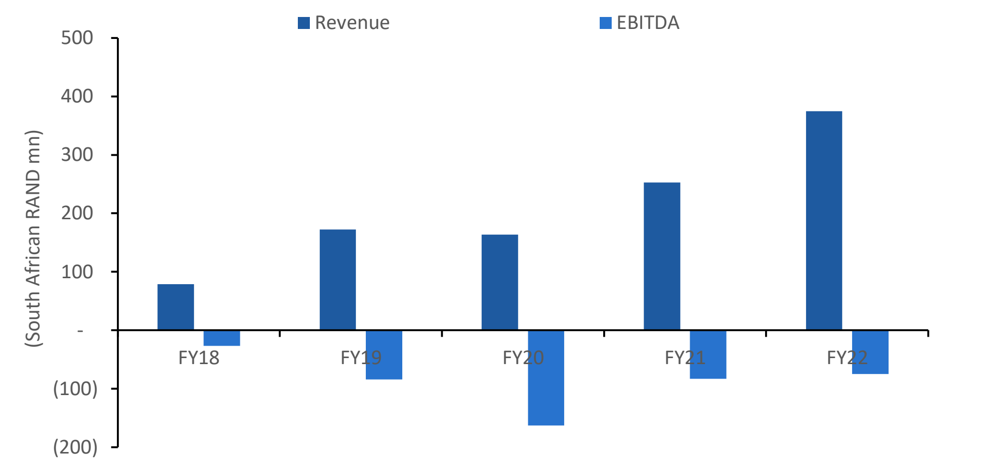
Source: Company Data, Centrum Broking

Exhibit 13: Zambia – 33% revenue CAGR over FY19-22, sharp margin decline in FY22



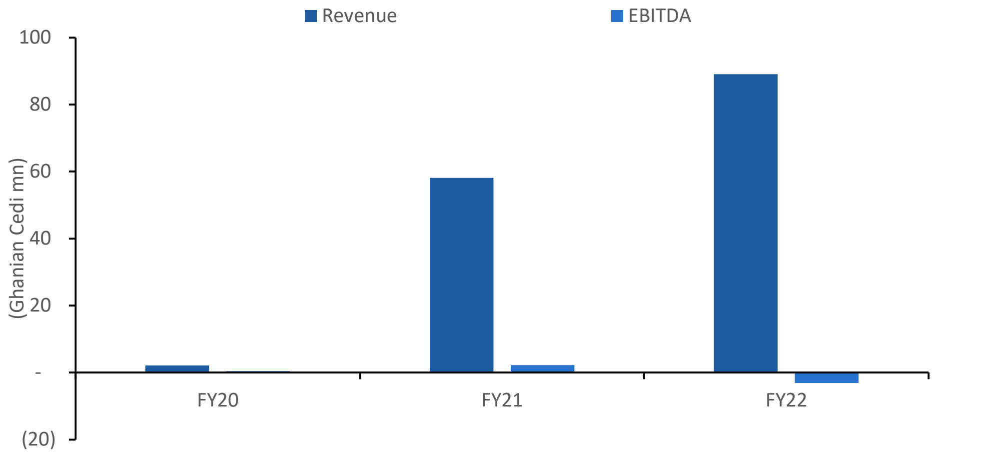
Source: Company Data, Centrum Broking

Exhibit 14: South Africa – Lower scale leads to operating loss; sales scaling up gradually



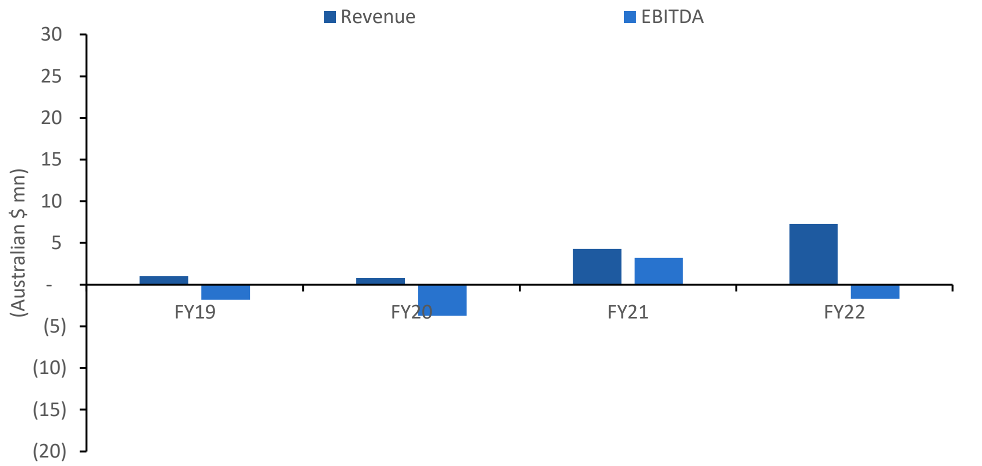
Source: Company Data, Centrum Broking

Exhibit 15: Ghana – Commercial operations begins



Source: Company Data, Centrum Broking

Exhibit 16: Australia – Meaningful revenue booking yet to start



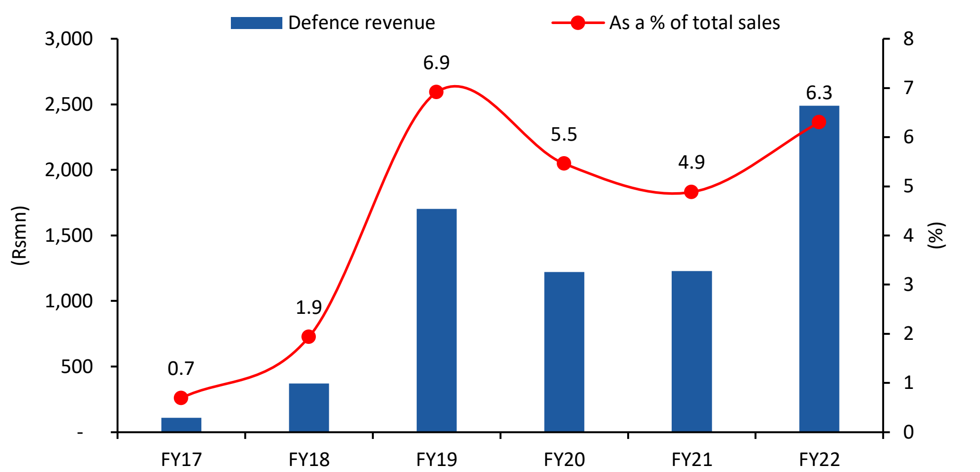
Source: Company Data, Centrum Broking

Defence segment

Defence measures highlighted in the annual report, which will aid SOIL's defence segment are as follows:

- For accelerating indigenization in the Indian defence sector and saving valuable forex reserves for other capex activities, government has earmarked 25% of the defence R&D budget for the private sector which is aimed to end the public sector's supremacy over defence production in the country.
- With Ätmanirbharta' in mind, 68% of the defence capex budget is assigned for domestic procurement (up 10% YoY) which will eventually reduce India's import dependence for defence products.
- By 2025, the government intends to have a turnover of $25 billion including exports of $5 billion in Aerospace and Defense goods and services.
- 351 companies have received 568 Defence Industrial Licenses from the government. Out of these, a total of 113 companies covering 170 Defence Industrial Licenses have conveyed commencement of production.
- Successful commercial production of Multi-Mode Hand Grenades for the defence sector makes SOIL the first choice and a notable trusted name among the private players for any further (or repeat) orders.
- Out of 1mn units MMHG order, 414,304 units are supplied in FY22 while the rest are likely to be supplied in FY23E.

Exhibit 17: Defence revenue achieves meaningful jump in FY22

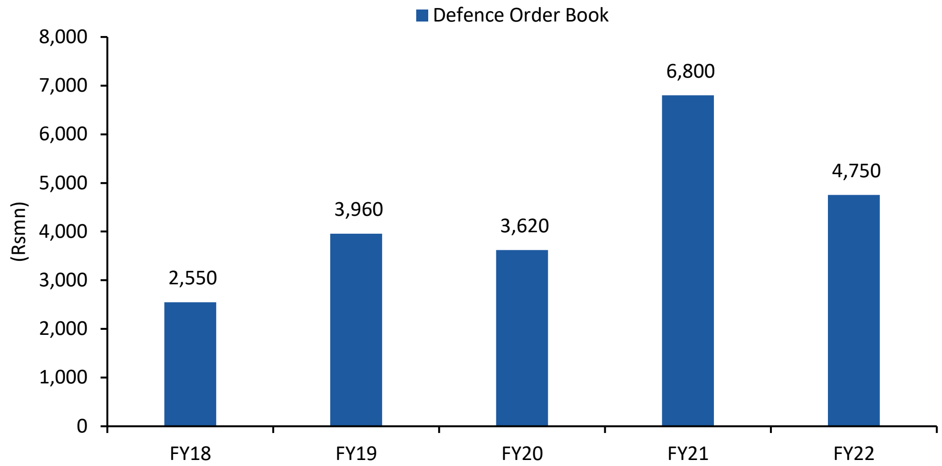


Source: Company Data, Centrum Broking

Defence ramp-up with entry into drones and Loitering Munitions

To prep up its defence capabilities, SOIL has forayed into manufacturing of drones and counter drones in FY22, which can be utilized for both offensive and defensive roles. In offensive role these drones can be used to target enemy troops, bunkers, vehicles and tanks. In defensive role, the anti-drone system are capable of soft kill and hard kill using micro-missiles. SOIL will be the first Indian company to completely indigenize production of Loitering Drones (also called as Suicide or Kamikaze drones) and will prove to be an important step in SOIL's commitment of making India self-reliant.

Exhibit 18: Defence order book aided by MMHG order of 1mn units worth Rs4.1bn in FY21



Source: Company Data, Centrum Broking

Other update

Product Quality Improvements

SOIL is improving production facilities and internal capabilities by developing new and improved products in India to cement its position in an evolving market. SOIL has also invested in developing new products and will keep identifying opportunities to channel advanced technologies. They have invested in Sky Root Aerospace, ZMotion Systems Automation, apart from building a state-of-the-art centre of excellence where innovative ideas are given wings. They will keep identifying such opportunities to enhance their technological prowess.

Key Risks:

Identified high risk areas: (1) Economic and geo-political uncertainty, (2) Volatile raw material price, mainly of Ammonium Nitrate, industrial chemicals and fuel.

Identified medium & low risk areas: (1) climate change, (2) reducing share from existing customers due to competition, (3) technological obsolescence and cyber threat, (4) logistics challenge and supply chain.

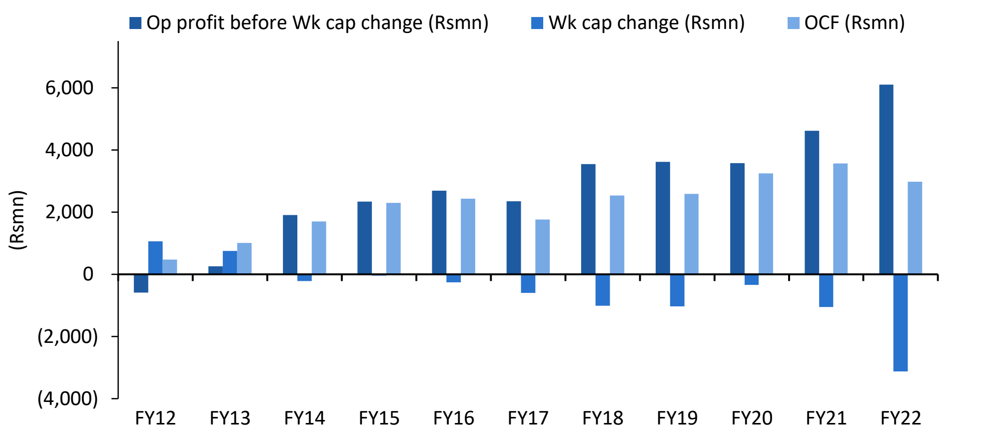
Analysis of cash flows and balance sheet over the past decade

SOIL has seen a healthy trend of consistent improvement in operating cash flow generation over the years with OCF rising by 20% CAGR over FY12-22 compared to 15%/16% CAGR rise in revenue/PAT over the same period. Ex-cash net working capital has remained broadly stable at 100 days. Over FY12-22, total OCF/EBITDA ratio stood at 61% while OCF/PAT was 107%. Over FY12-22, the conversion of OCF (Rs24.6bn) to FCF (Rs4bn) has been at 16% as explosives industry has a high capex intensity (average annual capex of ~Rs1.9bn over the past decade). While fixed asset turns are in the range of 2x, the return ratios in FY22 are decent with RoE/pre-tax RoCE of 25% each.

Healthy cash flows from operations

Operating cash flow in FY22 remained healthy and stood at Rs3bn, however, it was down YoY from Rs3.5bn in FY21 due to increase in working capital by Rs3.1bn in FY22. Over FY12-22, OCF has risen by 20% CAGR from Rs480mn in FY12 to Rs3bn in FY22, outpacing revenue/PAT CAGR of 15%/16% over the same period.

Exhibit 19: Cash flow from operations – consistently rising trend

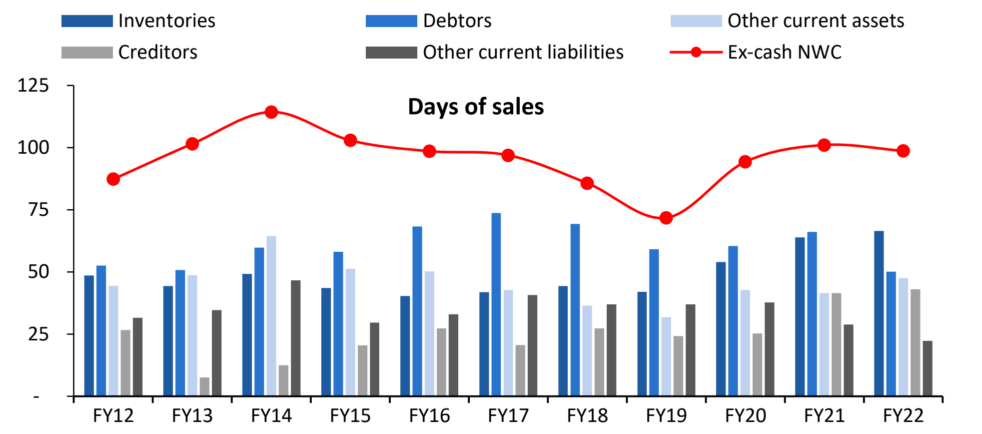


Source: Company Data, Centrum Broking

Analysis of working capital movement

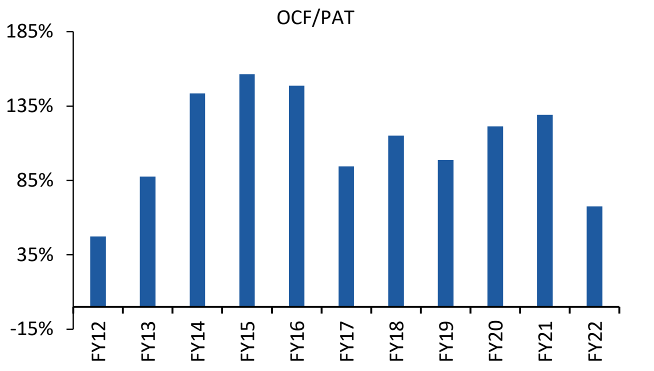
Over FY12-22, ex cash NWC has largely remained at ~100 days, except FY18/19 when it was 86/72 days, respectively. In FY22, ex-cash NWC was 99 days, similar to FY20/21 level of 94/101 days. Inventory days in FY21/22 were higher at 64/66 days compared to historical range of 45-55 days. Debtor days declined to 50 days in FY22 compared to 66 days in FY21 and an average of 62 days over the past decade. Creditor days were higher at 42/43 days in FY21/22 compared to a range of 20-27 days over FY12-20.

Exhibit 20: Net Working capital days – on a reducing trend



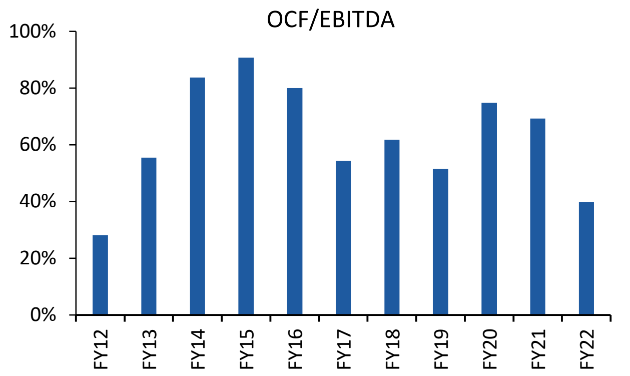
Source: Company Data, Centrum Broking

Exhibit 21: OCF/PAT



Source: Company Data, Centrum Broking

Exhibit 22: OCF/EBITDA

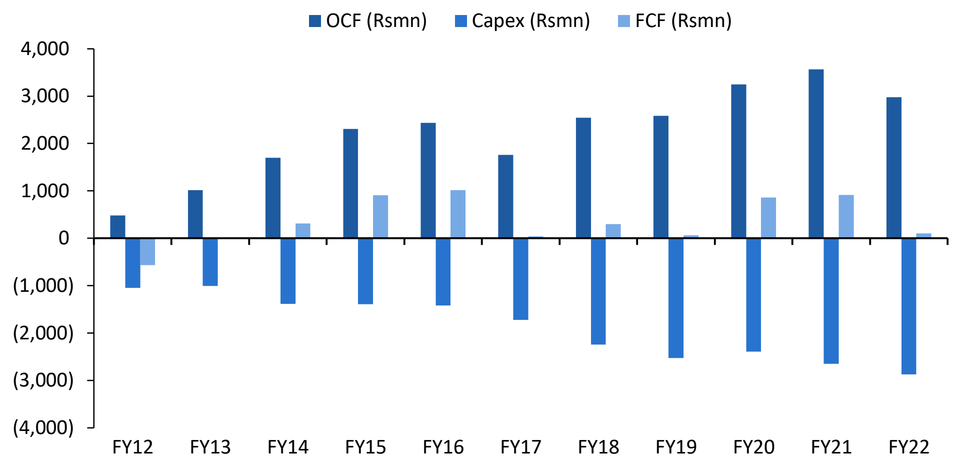


Source: Company Data, Centrum Broking

High capex intensity sector; OCF to FCF conversion at 16% over the past decade

Explosives manufacturing is a high capital intensive sector. SOIL has consistently invested back in the business (average capex of Rs1.9bn over FY12-22), for increasing its market share and manufacturing presence in domestic market, as well as expanding manufacturing bases in overseas markets and to scale up defence portfolio. Hence, the conversion of OCF to FCF stands at 16% over the past decade, which is reasonable according to us. Compared to total OCF of Rs24.6bn over FY12-22, the total FCF conversion stood at Rs4bn. In FY22, FCF was lower at Rs104mn (vs. Rs917mn YoY) as capex was higher at Rs2.9bn (vs. Rs2.6bn YoY) while OCF was lower at Rs3bn (vs. Rs3.5bn YoY).

Exhibit 23: OCF to FCF conversion trend



Source: Company Data, Centrum Broking

Fixed asset turn has averaged 2x

Over FY12-FY22, SOIL's fixed asset turnover has averaged at 2x, which is in-line with the industry norms. As explosive manufacturing has a high capex intensity, the gross block base also needs to increase consistently in line with revenue growth. Compared to initial years, the fixed asset turn was lower at 1.6x in FY20 and FY21 due to recent commissioning of overseas and domestic manufacturing plants as well as investment in defence, but normalized to 2.2x in FY22.

Exhibit 24: Fixed asset turn – in-line with industry at 2x

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Fixed Asset turn (x)	2.9	2.6	2.0	1.9	1.6	1.9	1.9	2.1	1.6	1.6	2.2

Source: Company Data, Centrum Broking

Stable debt/equity; decent return ratios:

Leverage on SOIL's balance sheet has remained stable with net-debt/equity in the range of 0.3x. Despite capex, SOIL wants to restrict net debt/equity up to 0.5x. The return ratio profile has risen in FY22 with RoE/pre-tax RoCE at ~25% each. The return ratio profile improved in FY22 led by scale up in defence business and higher fixed asset turn.

Exhibit 25: Leverage ratios

Leverage ratios (x)	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Net Debt/Equity	0.5	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.4

Source: Company Data, Centrum Broking

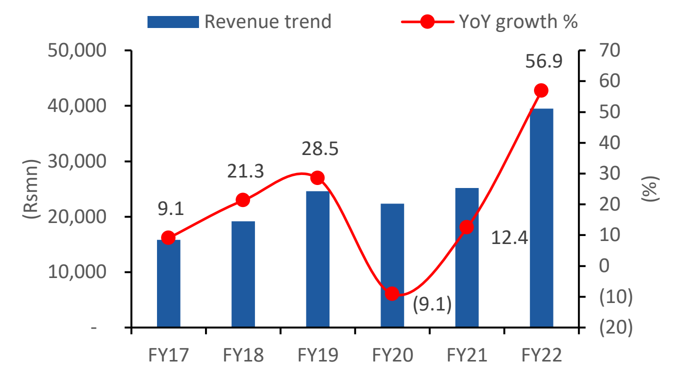
Exhibit 26: Return ratios

Return Ratios (%)	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
RoE	29.3	25.8	20.8	22.5	21.2	21.5	21.9	23.1	20.4	18.7	25.3
RoCE (Pre-tax)	29.7	21.4	18.3	20.5	24.8	23.2	25.4	27.7	20.6	19.8	24.8
RoIC (Pre-tax)	29.3	22.7	20.1	22.2	25.3	23.7	26.2	28.6	19.7	20.2	25.5

Source: Company Data, Centrum Broking

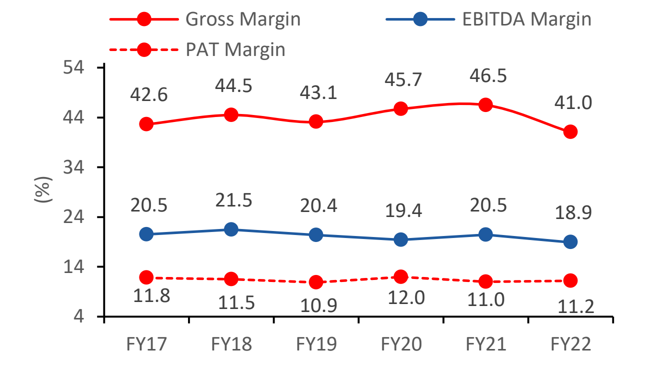
Key financial parameters

Exhibit 27: Revenue trend



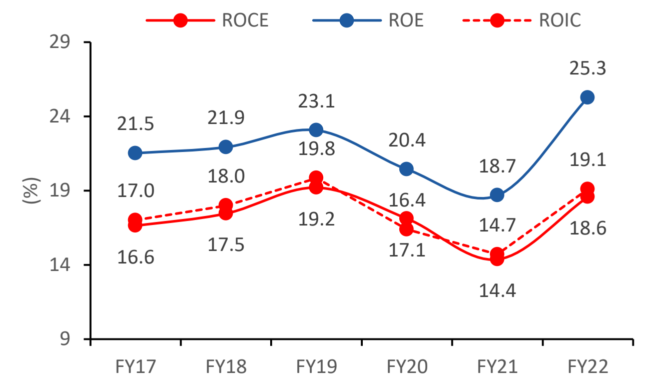
Source: Company Data, Centrum Broking

Exhibit 28: Margins trend



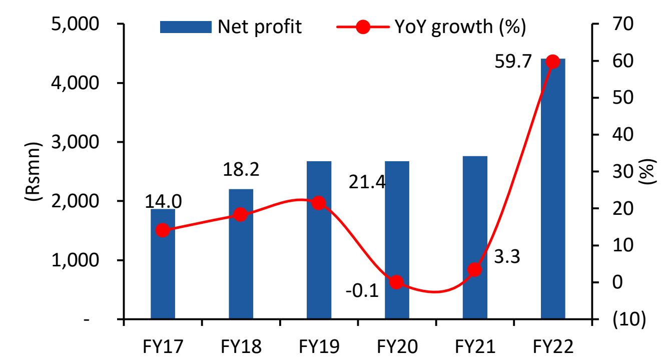
Source: Company Data, Centrum Broking

Exhibit 29: Return ratios trend



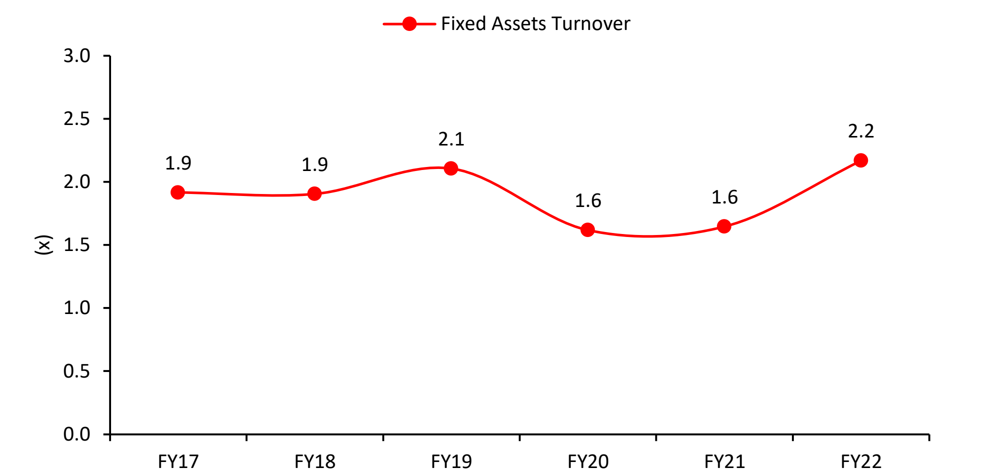
Source: Company Data, Centrum Broking

Exhibit 30: Net profit trend



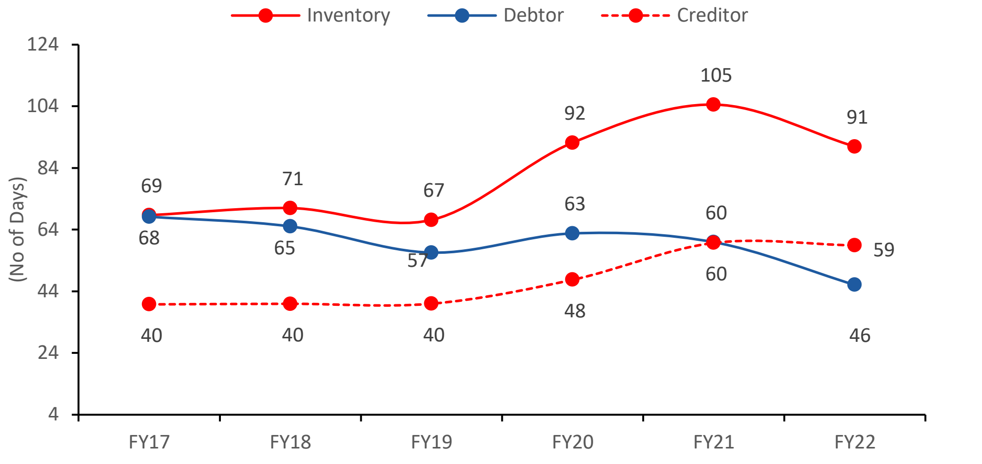
Source: Company Data, Centrum Broking

Exhibit 31: Fixed Asset turnover trend



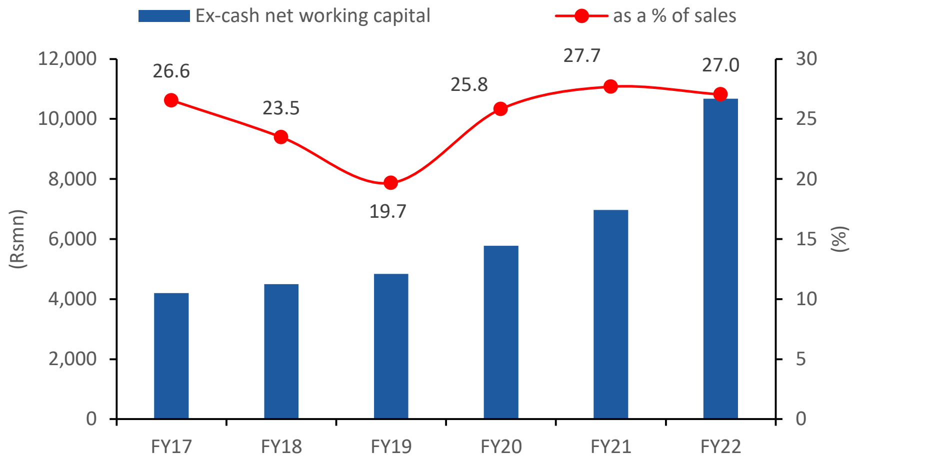
Source; Company Data, Centrum Broking

Exhibit 32: Cash conversion cycle trend



Source: Company Data, Centrum Broking

Exhibit 33: Ex-cash net working capital trend



Source: Company Data, Centrum Broking

P&L

YE Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Revenues	**22,373**	**25,156**	**39,476**	**48,816**	**58,623**
Operating Expense	12,150	13,468	23,273	28,069	33,415
Employee cost	2,066	2,306	2,896	3,515	4,162
Others	3,814	4,236	5,834	7,957	9,380
EBITDA	**4,343**	**5,146**	**7,473**	**9,275**	**11,666**
Depreciation & Amortisation	845	935	1,093	1,207	1,322
EBIT	**3,498**	**4,211**	**6,380**	**8,068**	**10,344**
Interest expenses	550	454	503	565	614
Other income	411	214	197	226	260
PBT	**3,358**	**3,971**	**6,074**	**7,729**	**9,990**
Taxes	571	1,090	1,520	1,945	2,514
Effective tax rate (%)	17.0	27.5	25.0	25.2	25.2
PAT	**2,787**	**2,881**	**4,555**	**5,784**	**7,475**
Minority/Associates	(112)	(117)	(142)	(149)	(156)
Recurring PAT	**2,674**	**2,764**	**4,413**	**5,635**	**7,319**
Extraordinary items	0	0	0	0	0
Reported PAT	**2,674**	**2,764**	**4,413**	**5,635**	**7,319**

Ratios

YE Mar	FY20A	FY21A	FY22A	FY23E	FY24E
Growth (%)					
Revenue	(9.1)	12.4	56.9	23.7	20.1
EBITDA	(13.5)	18.5	45.2	24.1	25.8
Adj. EPS	(0.1)	3.3	59.7	27.7	29.9
Margins (%)					
Gross	45.7	46.5	41.0	42.5	43.0
EBITDA	19.4	20.5	18.9	19.0	19.9
EBIT	15.6	16.7	16.2	16.5	17.6
Adjusted PAT	12.0	11.0	11.2	11.5	12.5
Returns (%)					
ROE	20.4	18.7	25.3	26.1	27.0
ROCE	17.1	14.4	18.6	19.6	20.9
ROIC	16.4	14.7	19.1	19.7	21.0
Turnover (days)					
Gross block turnover ratio (x)	1.6	1.6	2.2	2.1	2.1
Debtors	63	60	46	49	55
Inventory	92	105	91	102	99
Creditors	48	60	59	65	62
Net working capital	98	107	89	89	97
Solvency (x)					
Net debt-equity	0.3	0.4	0.4	0.4	0.3
Interest coverage ratio	7.9	11.3	14.9	16.4	19.0
Net debt/EBITDA	1.1	1.2	1.0	1.0	0.8
Per share (Rs)					
Adjusted EPS	29.6	30.5	48.8	62.3	80.9
BVPS	152.5	174.5	211.5	264.8	333.7
CEPS	38.9	40.9	60.8	75.6	95.5
DPS	6.0	6.0	7.5	9.0	12.0
Dividend payout (%)	20.3	19.6	15.4	14.5	14.8
Valuation (x)					
P/E	93.5	90.5	56.7	44.4	34.2
P/BV	18.1	15.8	13.1	10.4	8.3
EV/EBITDA	58.7	49.8	34.5	27.9	22.2
Dividend yield (%)	0.2	0.2	0.3	0.3	0.4

Source: Company, Centrum Broking

Balance sheet

YE Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Equity share capital	181	181	181	181	181
Reserves & surplus	13,620	15,613	18,962	23,782	30,015
Shareholders fund	13,801	15,794	19,143	23,963	30,196
Minority Interest	515	627	1,006	1,006	1,006
Total debt	6,102	7,861	8,661	9,561	10,261
Non Current Liabilities	0	0	0	0	0
Def tax liab. (net)	533	461	423	784	784
Total liabilities	**20,951**	**24,744**	**29,233**	**35,315**	**42,248**
Gross block	13,830	15,283	18,206	23,417	27,417
Less: acc. Depreciation	(2,356)	(3,119)	(4,042)	(5,249)	(6,571)
Net block	11,474	12,165	14,164	18,168	20,847
Capital WIP	1,522	2,824	2,211	1,000	1,000
Net fixed assets	13,735	15,804	17,231	20,024	22,702
Non Current Assets	1,214	1,524	2,242	3,173	3,811
Investments	24	10	182	182	182
Inventories	3,310	4,405	7,189	8,459	9,613
Sundry debtors	3,703	4,555	5,411	7,757	9,958
Cash & Cash Equivalents	1,201	1,812	988	641	1,354
Loans & advances	57	39	82	98	117
Other current assets	1,564	1,446	2,969	3,661	4,690
Trade payables	1,544	2,861	4,649	5,383	5,951
Other current liab.	2,208	1,873	2,287	3,173	4,104
Provisions	105	117	125	125	125
Net current assets	5,978	7,406	9,577	11,936	15,553
Total assets	**20,951**	**24,744**	**29,233**	**35,315**	**42,248**

Cashflow

YE Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Profit Before Tax	3,358	3,971	6,074	7,729	9,990
Depreciation & Amortisation	845	935	1,093	1,207	1,322
Net Interest	550	454	503	565	614
Net Change – WC	(1,032)	(1,127)	(3,714)	(3,635)	(3,542)
Direct taxes	(942)	(1,162)	(1,558)	(1,584)	(2,514)
Net cash from operations	**2,668**	**2,954**	**2,255**	**4,133**	**5,713**
Capital expenditure	(2,142)	(2,927)	(2,479)	(4,000)	(4,000)
Acquisitions, net	0	0	0	0	0
Investments	303	14	(173)	0	0
Others	0	0	0	0	0
Net cash from investing	**(1,839)**	**(2,914)**	**(2,652)**	**(4,000)**	**(4,000)**
FCF	**829**	**40**	**(397)**	**133**	**1,713**
Issue of share capital	0	0	0	0	0
Increase/(decrease) in debt	1,457	1,760	800	900	700
Dividend paid	(543)	(543)	(679)	(815)	(1,086)
Interest paid	(550)	(454)	(503)	(565)	(614)
Others	(909)	(192)	(46)	0	0
Net cash from financing	**(545)**	**571**	**(428)**	**(479)**	**(1,000)**
Net change in Cash	284	611	(825)	(346)	713

Source: Company, Centrum Broking

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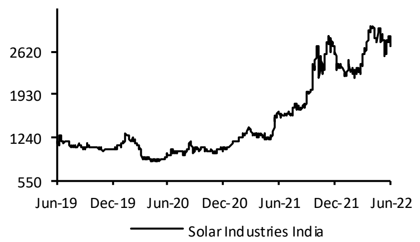
Solar Industries India



Source: Bloomberg

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