

Research Report

Fertilizers and Chemicals Travancore Limited



Prepared By-

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About

The Fertilisers And Chemicals Travancore Limited (FACT) was incorporated in the year 1943 as the first large-scale fertilizer plant in India at Udyogamandal, Kochi, Kerala. FACT started production in 1947. FACT is under the administrative control of the Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India. From a modest beginning, FACT has expanded and diversified into a multi-divisional organisation with varied activities. The parent division at Udyogamandal underwent four stages of expansion until the year 1972, upgrading technology and increasing capacity.

Key Areas

- Complex Fertilisers
- Straight Fertilisers
- Organic Fertilisers
- Bio Fertilisers
- Imported Fertilisers
- Bagged Gypsum

Synopsis of Financials

- In Q4 26.2 percent year-on-year (YoY) fall in revenue, which came in at Rs 1,248 crore, down from Rs 1,692.50 crore in the year-ago period.
- EBIDTA also declined 37.9 percent YoY to Rs 184.1 crore from Rs 296.6 crore in the same quarter last year.
- Operating margin also contracted to 14.7 percent in January-March period as against 17.5 percent in the year-ago quarter.

Stock data (as 9th July 2024)

Nifty Price	: 24,436.20
52 week High (in Rs.)	: 1,187
52 week Low (in Rs.)	: 413
Market Cap. (in Crore)	: 71,579
NSE Code	: <u>FACT</u>

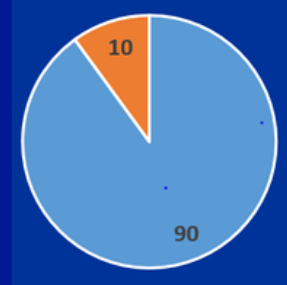
Stock data



-NIFTY50

-Fertilisers And Chemicals Travancore Limited

Shareholding Pattern (March 2024)



-PUBLIC GROUP

-PROMOTER GROUP

Financial Summary

Particulars	March 2024	March 2023	March 2022
Sales	5,055	6,198	4,425
Sales Growth %	-18.44%	40.08%	35.78%
Expenses	4,695	5,443	3,829
Operating Profit	359	755	596
OPM %	7%	12%	13%
Net Profit	146	613	346
EPS in Rs	2.26	9.47	5.35

Quarterly Results



Particular	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	1,935	1,722	1,249	1,233	1,663	1,097	1,062
Expenses	1,698	1,523	1,065	1,086	1,531	1,054	1,025
Operating Profit	237	199	184	147	132	43	37
OPM %	12%	12%	15%	12%	8%	4%	4%
Other Income	-23	36	52	-7	39	54	-129
Interest	62	62	61	63	61	62	61
Depreciation	7	7	9	5	5	5	11
Profit before tax	145	166	165	72	105	30	-164
Tax %	0%	0%	0%	0%	0%	0%	63%
Net Profit	145	166	165	72	105	30	-61

Source: Screener

Key Ratios

SL No	Particulars	2022-23	2021-22	Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year)
i	Debtors Turn Over Ratio	5.77	4.27	Due to reduction in the accrued subsidy as at the year end
ii	Inventory Turn Over Ratio	7.55	7.50	NA
iii	Interest Coverage Ratio	3.60	2.53	Due to increase in profit
iv	Current Ratio	1.08	0.98	NA
v	Debt Equity Ratio	3.27	6.16	The debt equity ratio improved due to the profit earned during the year
vi	Operating Profit Margin	0.14	0.16	NA
vii	Net Profit Margin	0.10	0.08	NA
viii	Return on Capital employed	0.19	0.16	NA

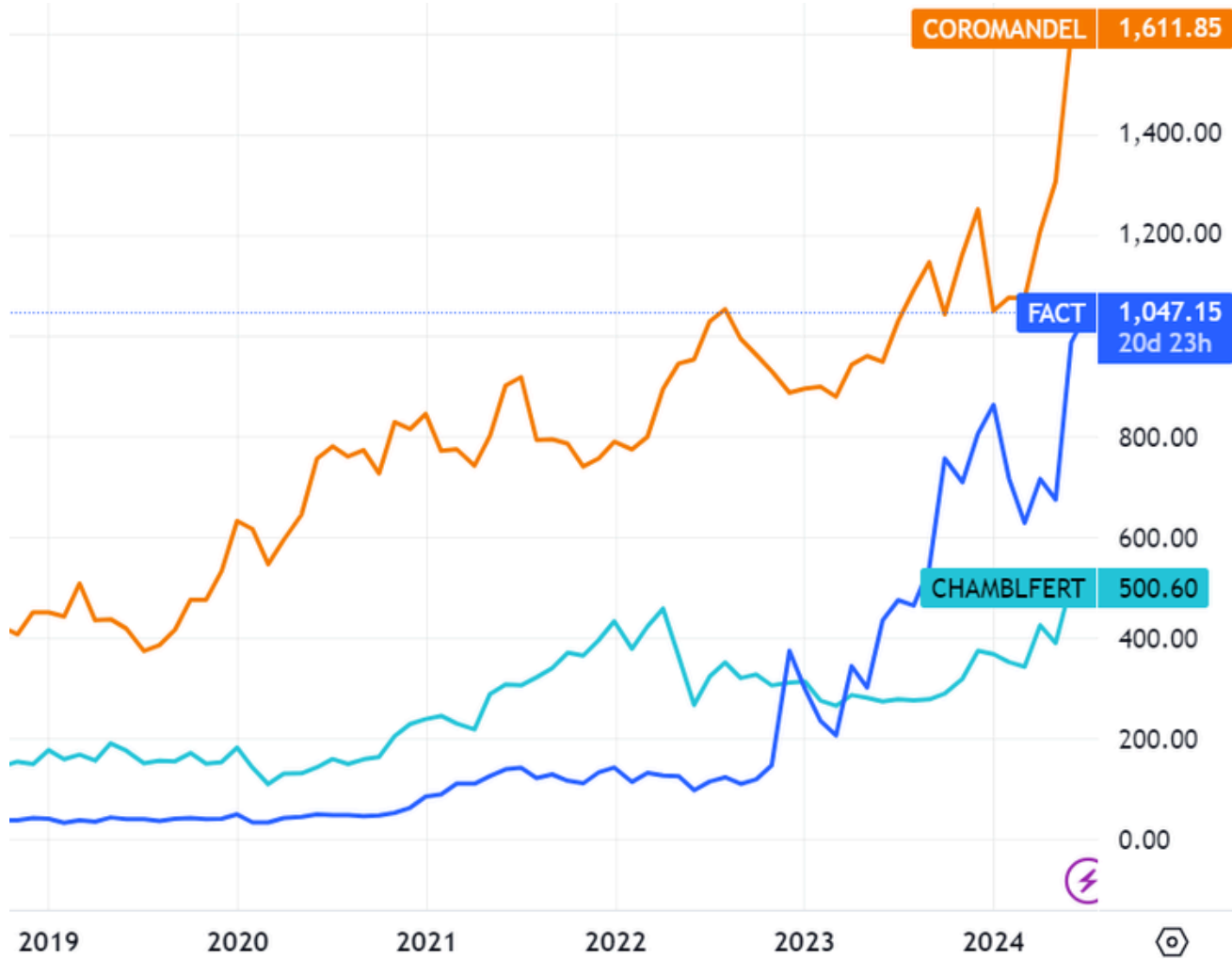
Source: Annual Report

Yearly Results

Particulars	March 2024	March 2023	March 2022
Equity Capital	647	647	647
Reserves	729	627	15
Borrowings	1,810	1,842	1,838
Other Liabilities	2,629	2,379	2,276
Total Liabilities	5,815	5,494	4,775
Fixed Assets	827	814	816
CWIP	222	105	43
Investments	130	113	98
Other Assets	4,636	4,463	3,819
Total Assets	5,815	5,494	4,775

Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	FACT	1049.70	173.38	67923.16	0.10	-61.20	-26.67	1061.82	-14.98	17.01
2.	Coromandel Inter	1607.85	28.84	47351.26	0.37	163.91	-34.95	3912.72	-28.55	26.04
3.	Chambal Fert.	501.95	15.80	20110.68	1.52	96.79	2.98	2643.04	-26.56	21.08
4.	RCF	222.60	62.93	12280.59	2.37	95.24	0.30	3879.65	-17.17	6.19
5.	GSFC	251.65	17.85	10027.66	4.03	24.42	-89.14	1965.25	-17.56	5.77

Source: Screener

Final Outlook

FACT: BUY | LTP: 1,047

The company said in an exchange filing on May 5 that the dismal bottom line was caused by a 26.2 percent year-over-year (YoY) decline in sales, which came in at Rs 1,248 crore as opposed to Rs 1,692.50 crore in the same period last year. Profits before interest, taxes, depreciation, and amortization, or EBIDTA, decreased by 37.9% year over year to Rs 184.1 crore from Rs 296.6 crore in the corresponding quarter of the previous year.

Additionally, operating margin decreased to 14.7 percent from 17.5 percent in the same quarter last year to 14.7 percent from January to March. Net Sales at Rs 1,097.33 crore in December 2023 down 36.27% from Rs. 1,721.94 crore in December 2022.

Quarterly Net Profit at Rs. 30.32 crore in December 2023 down 81.71% from Rs. 165.79 crore in December 2022.

EBITDA stands at Rs. 97.16 crore in December 2023 down 66.07% from Rs. 286.33 crore in December 2022.