

WHATSINIT

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### COMPANIES managed to deleverage in FY16

■ Some notable trends in this year's financial year results of listed companies are now available. Cement, Finance, Packaging, Transport (Airlines) and Fertiliser are some sectors that appear to be repaying debt or are less dependent on resorting to debt. In fertiliser, the latest data (March 2016) from RBI under sectoral deployment shows increase in gross bank credit to fertiliser.

In listed companies data, three finance companies viz., Shriram Transport Finance, Cholamandalam Investment Finance and Motilal Oswal Finance, are reporting lower overall debt levels in FY16.

In fertiliser, companies such as GNFC turned the corner. The company reported loss to profit in FY16. As such, the fertiliser sector is witnessing a silent revolution as the new investor policy is encouraging setting up gas-based urea plants in country—the first time in the last 25 years.

Three plants are being set up in Kota (Chambal Fertilisers), Ramagundam (EIL and National Fertilisers) and RCF.

Cement major UltraTech Cement has reported lower overall debt levels, especially in long-term borrowings. Companies such as Maruti Suzuki (Passenger Cars) also appear to trend at lower debt levels. From a peak total debt of Rs 1,389 crore in Mar'13, total debt touched Rs 516 crore in Mar'15. In FY16, the debt level would be truncated further. In packaging, Essel Propack has consistently brought down debt levels in last four years or so.

In the private banking sector, IndusInd Bank, Yes Bank, HDFC Bank and Axis Bank registered positive change in PAT on a full year basis. ICICI Bank reported lower pat growth due to huge provisioning in last quarter.

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