

Estimate change



TP change



Rating change



Bloomberg	TTCH IN
Equity Shares (m)	255
M.Cap.(INRb)/(USDb)	273.7 / 3.4
52-Week Range (INR)	1158 / 774
1, 6, 12 Rel. Per (%)	21/12/20
12M Avg Val (INR M)	1905

Financials & Valuations (INR b)

Y/E Mar	2022	2023E	2024E
Sales	126.2	164.2	168.7
EBITDA	23.0	35.0	34.0
PAT	12.6	18.9	16.8
EBITDA (%)	18.3	21.3	20.2
EPS (INR)	49.6	74.3	66.0
EPS Gr. (%)	392.9	49.7	(11.2)
BV/Sh. (INR)	716	777	830

Ratios

Net D/E	0.2	0.2	0.1
RoE (%)	7.8	9.9	8.2
RoCE (%)	6.2	8.4	7.6

Valuations

P/E (x)	21.7	14.5	16.3
EV/EBITDA (x)	14.2	9.1	8.9
Div Yield (%)	1.2	1.2	1.2
FCF Yield (%)	(2.7)	5.3	7.7

Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	38.0	38.0	38.0
DII	19.2	19.9	19.7
FII	15.0	13.6	13.0
Others	27.9	28.5	29.3

CMP: INR1,074

TP: INR1,210 (+13%)

Neutral

Robust Soda ash demand drives healthy performance

Operating performance above our expectation across geographies

- Tata Chemicals (TTCH)'s 1QFY23 consolidated EBITDA beat our estimate, with a strong operating performance across geographies backed by robust growth in Soda Ash realization.
- Globally, demand for Soda Ash has been buoyant, with a favorable demand-supply scenario. All plants across the geographies have been running at optimum utilization levels.
- Factoring in the strong operating performance in 1QFY23, we raise our FY23/FY24 EBITDA estimates by 23%/11%, respectively. **We maintain our Neutral rating with an SoTP-based TP of INR1,210.**

Higher realization aids margin expansion across all geographies

- TTCH reported revenue of INR40b (est. INR40.9b) in 1QFY23, up 34% YoY. EBITDA margin expanded 520bp YoY to 25.4% (est. 18.7%). EBITDA stood at INR10.2b (est. INR7.6b). Adjusted PAT jumped 2.1x YoY to INR5.9b (est. INR3.7b) due to better material margin and lower other and employee expenses as a percentage of sales.
- Basic Chemistry/Specialty Products grew 41%/17% YoY to INR30.6b/INR9.3b; their EBIT margins expanded/contracted by 910bp/330bp YoY to 25.0%/8.4%, respectively, in 1QFY23.
- India standalone/TCNA/TCEHL/TCAHL revenue rose 48%/34%/30%/84% YoY to INR12.3b/INR11.2b/INR5.3b/INR2.5b, respectively, in 1QFY23. Their EBITDA margins expanded 360/400/1,130/2,970bp to 32.5%/24.7%/18.5%/48.4%, respectively, led by improvement in realizations that offset surge in raw material prices and energy costs.
- In **North America**, Soda Ash realization was higher by 30% to USD255/MT in 1QFY23. EBITDA/MT jumped 55% to USD63/MT led by favorable operating leverage during the quarter.

Highlights from the management commentary

- **Capex:** TTCH has incurred a capex of INR18b until Jun'22 and the balance INR11b would be spent by Mar'24.
- **Market Outlook:** Soda Ash price environment is likely to stay robust over the next 18-24 months and the demand-supply dynamics are forecasted to remain favorable until FY25-FY26.
- **Net debt** rose to INR49.8b in Jun'22 v/s INR42.3b as of Mar'22 and INR41.2b in Dec'21. TTCH would continue to pay down debt on books with an aim of achieving debt-free status in TCAHL over the next 12 to 15 months; it will also continue to pay down debt at USD100m per annum in TCNA.

Valuation and view

- We expect the favorable soda ash demand-supply dynamics to sustain in the medium term aided by emergence of newer applications such as solar glass and lithium Ion batteries. However, on a one-year forward basis, TTCH is trading at an average EV/EBITDA of 8.8x, which is at par with its last 10-year average.
- We expect a revenue/EBITDA/PAT CAGR of 16%/21%/15% over FY22-24, respectively.
- Factoring in the strong operating performance in 1QFY23, we raise our FY23/FY24 EBITDA estimates by 23%/11%, respectively. **We maintain our Neutral rating with an SoTP-based TP of INR1,210.**

Consolidated - Quarterly Earning Model

(INRb)

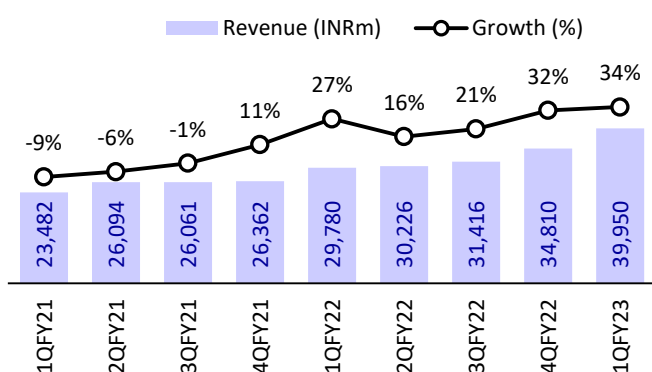
Y/E March	FY22				FY23				FY22	FY23E	FY23E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	29.8	30.2	31.4	34.8	40.0	42.9	41.2	40.2	126.2	164.2	40.8	-2
YoY Change (%)									23.8	30.1	37.2	
Total Expenditure	23.8	25.2	26.0	28.2	29.8	33.6	33.0	32.9	103.2	129.3	33.2	
EBITDA	6.0	5.0	5.5	6.6	10.2	9.3	8.2	7.3	23.0	35.0	7.6	33
Margins (%)	20.2	16.6	17.4	18.9	25.4	21.7	19.8	18.3	18.3	21.3	18.7	
Depreciation	2.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	8.1	8.6	2.1	
Interest	0.8	0.8	0.7	0.7	0.8	0.8	0.8	0.8	3.0	3.2	0.7	
Other Income	0.5	0.6	0.4	1.1	0.5	0.6	0.4	0.5	2.6	1.9	0.6	
PBT before EO expense	3.8	2.7	3.1	4.9	7.7	6.9	5.6	4.9	14.5	25.1	5.4	
Extra-Ord expense	0.0	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.4	0.0	0.0	
PBT	3.8	2.6	3.1	4.6	7.6	6.9	5.6	4.9	14.2	25.1	5.4	
Tax	0.9	0.7	0.7	0.4	1.6	1.7	1.4	1.2	2.7	5.8	1.3	
Rate (%)	22.8	27.5	21.2	9.3	20.4	24.5	24.5	24.5	18.9	23.3	24.5	
MI & Profit/Loss of Asso. Cos.	0.0	-0.1	-0.5	-0.2	0.2	0.2	0.0	0.0	-0.8	0.3	0.4	
Reported PAT	2.9	2.0	3.0	4.4	5.9	5.0	4.3	3.7	12.3	18.9	3.7	
Adj PAT	2.9	2.1	3.0	4.6	5.9	5.0	4.3	3.7	12.6	18.9	3.7	60
YoY Change (%)									392.9	49.7	28.7	
Margins (%)	9.7	7.0	9.6	13.3	14.8	11.7	10.3	9.3	10.0	11.5	9.1	

Key Performance Indicators

Y/E March	FY22				FY23				FY22	FY23E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Consolidated										
Sales Volume (000*MT)										
North America	578	613	586	615	568	613	598	621	2,392	2,400
Europe	191	175	188	192	181	183	195	197	746	756
Africa	83	86	73	75	83	87	87	87	317	344
EBITDA/MT										
North America (USD)	40.6	43.3	32.9	60.2	63.0	60.0	58.0	55.0	44.4	58.9
Europe (GBP)	14.7	-10.0	34.4	20.9	51.1	30.0	25.0	25.0	15.5	32.5
Africa (USD)	40.9	51.9	46.1	107.7	186.0	120.0	110.0	100.0	60.9	128.3
Cost Break-up										
RM Cost (% of sales)	21.9	22.9	18.9	20.1	19.9	23.5	23.5	23.5	20.9	22.6
Staff Cost (% of sales)	12.6	12.4	12.5	11.4	10.2	9.7	10.2	10.7	12.2	10.2
Power and Fuel Cost (% of sales)	13.4	16.2	18.4	18.6	15.5	16.0	16.7	17.0	16.7	16.3
Freight and Distribution Cost (% of sales)	14.2	14.5	14.0	14.5	12.9	12.8	13.3	13.5	14.3	13.1
Other Cost (% of sales)	17.8	17.4	18.9	16.5	16.1	16.3	16.5	17.0	17.6	16.5
Gross Margins (%)	78.1	77.1	81.1	79.9	80.1	76.5	76.5	76.5	79.1	77.4
EBITDA Margins (%)	20.2	16.6	17.4	18.9	25.4	21.7	19.8	18.3	18.3	21.3
EBIT Margins (%)	13.6	10.0	10.9	13.0	20.1	16.7	14.6	12.9	11.9	16.1

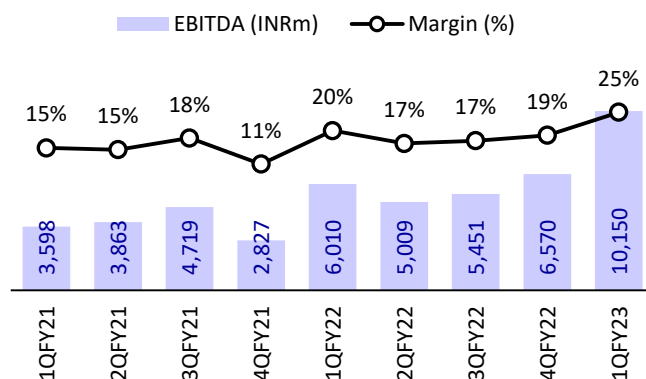
Key exhibits

Exhibit 1: Consolidated revenue trend



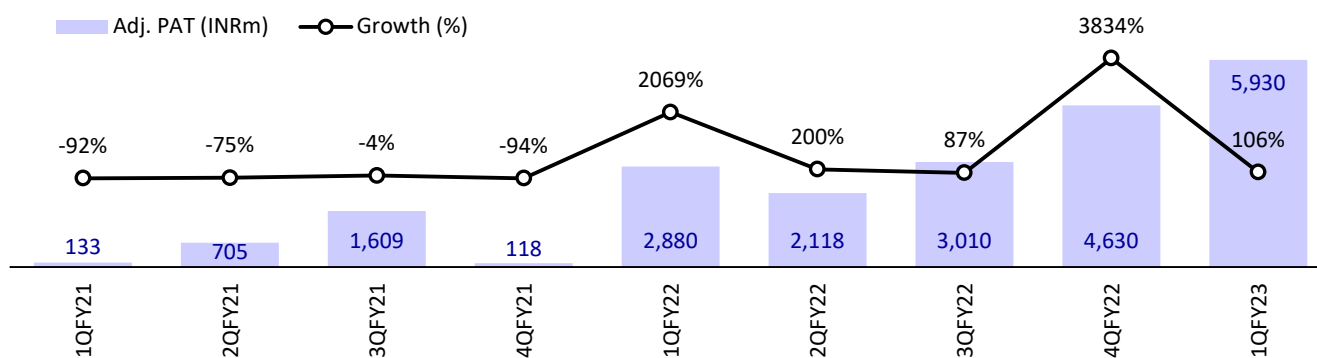
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



Source: Company, MOFSL

Exhibit 4: Consolidated segmental revenue

INR m	1QFY22	4QFY22	1QFY23	%YoY	%QoQ
Revenue					
Basic Chemistry products	21,740	29,030	30,600	41%	5%
Specialty products	7,970	5,640	9,340	17%	66%
Less: Inter-segment revenue	10	40	50		
Add: Unallocated	80	180	60		
Total revenue	29,780	34,810	39,950	34%	15%

Source: Company, MOFSL

Exhibit 5: Consolidated segmental EBIT

INR m	1QFY22	4QFY22	1QFY23	%YoY	%QoQ
EBIT					
Basic Chemistry products	3,460	5,160	7,650	121%	48%
Margin	15.9%	17.8%	25.0%		
Specialty products	930	-240	780	-16%	-425%
Margin	11.7%	-4.3%	8.4%		
Total EBIT	4,390	4,920	8,430	92%	71%
Less: Finance Cost	810	690	800		
Less: Unallocated (income)/expense	-190	-660	-50		
PBT	3,770	4,890	7,680	104%	57%

Source: Company, MOFSL

Exhibit 6: Standalone operational performance trend

INR m	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	%YoY	%QoQ
Soda Ash sales volume ('000MT)	118	151	178	184	167	178	156	176	169	1	-4
Sodium Bicarbonate sales volume ('000MT)	21	25	26	31	28	27	33	29	30	7	3
Salt sales volume ('000MT)	298	295	319	302	312	320	294	325	330	6	2
Realization - Basic Chemistry Products (INR/MT)	14,007	14,363	14,621	15,315	15,168	15,066	17,983	19,736	21,815	44	11
Net sales	6,280	7,170	8,120	8,410	8,280	8,470	9,310	11,150	12,250	48	10
EBITDA	1,560	1,160	1,750	1,640	2,390	1,920	2,440	2,770	3,980	67	44
EBITDA (%)	24.8%	16.2%	21.6%	19.5%	28.9%	22.7%	26.2%	24.8%	32.5%		
PBT	1,423	1,658	1,477	1,582	2,820	1,971	2,136	3,100	4,950	76	60
PAT	1,088	1,351	1,156	1,196	2,280	1,346	1,557	2,680	3,810	67	42

Source: Company, MOFSL

Exhibit 7: Performance trend in its North American operations

INR m	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	%YoY	%QoQ
Soda Ash utilization (%)	60%	72%	79%	87%	91%	97%	92%	96%	92%		
Sales volume ('000MT)	387	475	474	566	578	613	586	615	568	-2	-8
Realization (INR/MT)	15,995	14,968	15,654	14,258	14,481	14,144	15,205	17,756	19,701	36	11
Realization (USD/MT)	211	199	210	192	196	191	205	239	256	30	7
EBITDA/MT (USD)	12	27	45	15	41	43	33	60	63	55	5
Net sales	6,190	7,110	7,420	8,070	8,370	8,670	8,910	10,920	11,190	34	2
EBITDA	350	960	1,580	630	1,730	1,960	1,430	2,750	2,760	60	0
EBITDA (%)	5.7%	13.5%	21.3%	7.8%	20.7%	22.6%	16.0%	25.2%	24.7%		
PBT	-1,190	-260	350	-600	550	760	370	1,710	1,590	189	-7
PAT	-1,070	-440	190	-520	510	660	250	1,740	1,410	176	-19

Source: Company, MOFSL

Exhibit 8: Performance trend in its Europe operations

INR m	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	%YoY	%QoQ
Soda Ash volume ('000MT)	62	67	70	67	68	68	71	71	65	-4	-8
Sodium Bicarbonate volume ('000MT)	30	27	28	29	27	25	28	30	28	4	-7
Total sales volume ('000MT)	179	181	197	191	191	175	188	192	181	-5	-6
Realization (INR/MT)	17,654	18,619	18,985	20,052	21,309	23,771	29,309	30,000	29,337	38	-2
Realization (GBP/MT)	187	196	198	207	207	232	287	294	277	34	-6
EBITDA/MT (GBP)	17	27	24	10	15	-10	34	21	51	247	144
Net sales	3,160	3,370	3,740	3,830	4,070	4,160	5,510	5,760	5,310	30	-8
EBITDA	280	460	450	190	290	-180	660	410	980	238	139
EBITDA (%)	8.9%	13.6%	12.0%	5.0%	7.1%	-4.3%	12.0%	7.1%	18.5%		
PBT	-160	20	20	-280	-180	-670	130	-120	490	-372	-508
PAT	-160	20	20	-440	-180	-670	130	-120	490	-372	-508

Source: Company, MOFSL

Exhibit 9: Performance trend in its Africa operations

INR m	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	%YoY	%QoQ
Soda ash utilization (%)	65%	74%	80%	81%	73%	91%	79%	80%	95%		
Sales volume ('000MT)	57	51	56	68	83	86	73	75	83	0	11
Realization (INR/MT)	17,544	17,843	19,107	16,912	16,145	16,279	18,082	22,800	29,639	84	30
Realization (USD/MT)	231	238	256	228	219	220	243	307	384	76	25
EBITDA/MT (USD)	23	16	62	40	41	52	46	108	186	355	73
Net sales	1,000	910	1,070	1,150	1,340	1,400	1,320	1,710	2,460	84	44
EBITDA	100	60	260	200	250	330	250	600	1,190	376	98
EBITDA (%)	10.0%	6.6%	24.3%	17.4%	18.7%	23.6%	18.9%	35.1%	48.4%		
PBT	-20	-50	160	100	160	110	180	510	1,110	594	118
PAT	-20	-50	160	100	160	110	180	510	1,110	594	118



Source: Company, MOFSL

Exhibit 10: Volume trend in Soda Ash



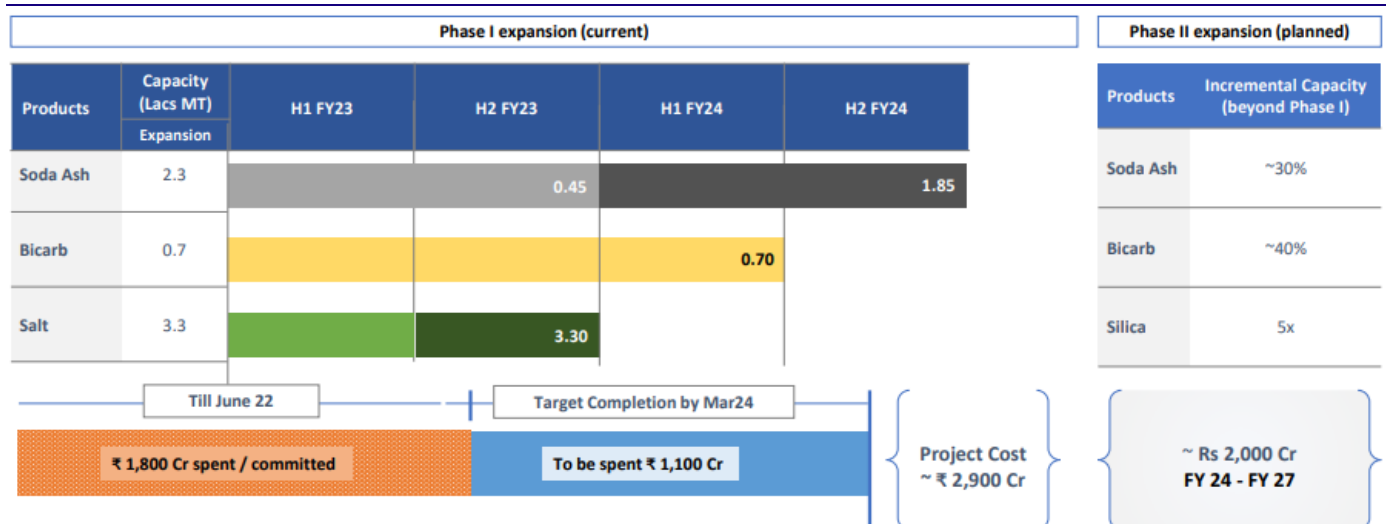
Source: Company, MOFSL

Exhibit 11: Strategic priorities of TTCH

	TCL	<ul style="list-style-type: none"> Deliver consistent market and customer delivery performance Deliver capacity expansions on schedule - Soda Ash, Bicarb & Salt expansion on stream by FY23 & FY24 Continue focus on cost management
	Rallis	<ul style="list-style-type: none"> Extend Portfolio offerings: New product introductions, plug portfolio gaps Strengthen Manufacturing: Invest in manufacturing and registrations
	US	<ul style="list-style-type: none"> Maximize plant output & Ensure customer demand is fully met Complete ANSAC exit through own supply chain & sales network Generate cash and repay debt
	UK	<ul style="list-style-type: none"> Maximize volumes and ensure operating performance is in line with market dynamics Operational efficiencies and cost structure rationalization Manage energy & carbon cost pressures and continuous cost focus
	Kenya	<ul style="list-style-type: none"> Sustain volume delivery to customers Continuous cost focus Generate cash and deleverage

Source: Company, MOFSL

Exhibit 12: Expansion pipeline of TTCH



Source: Company, MOFSL



Highlights from the management commentary

India

- **India standalone** revenue growth of 48% YoY was on back of blended realization improvement of 44% YoY as volumes grew marginally by 1.2%/6% YoY in Soda Ash/Salt.
- Mithapur unit operated at full capacity during the quarter. India saw higher soda ash and bi-carb realizations on the back of strong market demand and market tightness, reflecting good demand in detergents.
- EBITDA improved due to better realizations which offset significant increase in raw material and energy costs.
- Salt volumes remained healthy (+2.5% YoY) for India during the quarter; with additional capacities expected to be commissioned by end of FY23.

TCNA

- In **North America**, revenue growth of 34% YoY was mainly due to 30% improvement in realization while volumes were marginally lower by 2% to 568KMT. Soda Ash realization was higher by 30% to USD255.5/MT in 1QFY23. EBIDTA/MT jumped by 55% to USD63/MT led by favorable operating leverage.
- Export prices remained strong and at above pre-covid19 levels. The company has shifted its contracting under exports from an annual to a quarterly basis. Exports formed 45% of revenues and typically range at ~45% - 50%.
- Gas prices remained at elevated levels during the quarter.
- There was a production loss of 10,000 MT during the quarter, due to maintenance shutdown in one dryer. The company is confident of compensating for the loss in volumes, it expects to equal out or beat volumes v/s PY.
- Undertook part pre-payment of USD30m debt during the quarter

TCEHL

- In **Europe**, revenue grew 30% YoY due to an improvement in realization (34% YoY to GBP277/MT) There was a 5% de-growth in sales volume (Soda Ash, Sodium Bicarbonate and Salt). EBITDA grew 3.4x YoY to INR980m due to higher sales realizations, despite rising input (coke, ammonia, and packaging) and fixed plant costs.

- The business was able to utilize full benefit of new carbon capture unit in 1QFY23.
- The company has a lower presence in Europe, with 0.3MMT of the total 4.3MMT capacity.
- The company has energy surcharge clauses built into its contracts in the UK and USA and hedges energy cost as well.

TCAHL

- Soda Ash volumes in **Africa** were flat YoY at 83,000MT, whereas realizations (in USD terms) grew 76% YoY to USD384/MT, leading to a revenue growth of 84%. EBITDA stood at INR1,190m v/s INR250m YoY.
- Margins improved v/s previous year on account of higher realizations and robust market demand; TTCH maintains pricing contracts on a quarterly basis.

Market dynamics in Soda Ash

- Soda Ash Price environment likely to stay robust over the next 18-24 months.
- Soda ash demand supply dynamics are expected to remain favorable up till FY25 – FY26.
- New capacities would be commissioned in Mongolia and USA by FY25-26, with some capacity in USA being commissioned earlier.
- Current prices do not reflect the complete cost effect which is a direct link to energy surcharge prices, rather are linked to market demand and supply dynamics. There would be a further price hike necessary in soda ash, in order to match the same.

Other Highlights

- **Rallis:** Revenue growth came in from the crop care business, while margins were impacted due to cost inflation and competitive pricing. Crop care margins improved while seeds margin was impacted and continues to be under pressure. Rallis is expected to contribute positively in H2FY23.
- **Input price pressures:** Gas, coal and freight costs remained at elevated levels in 1QFY23. Carbon UK ETS prices remained stable at over GBP70/MT. Limestone, coke and raw salt prices have increased.
- **Net debt** rose to INR49.8 in June'22 v/s INR42.3b as of Mar'22 (v/s INR41.2b in Dec'21). TTCH would continue to pay down debt on books with an aim of achieving debt free status in Kenya over 12 to 15 months and paying down USD100m per annum in USA.
- **Capex:** TTCH has incurred a capex of INR18b till June'22 and balance INR11b to be spent by Mar'24. The company aims to incur additional INR20b capex under Phase 2 (FY24 – FY27) of expansion.
- **Opportunities:** TTCH envisions an opportunity in the solar glass and lithium carbonate segment with soda ash and sodium bicarbonate business being the main material beneficiary. Glass in India is underpenetrated and as the building infra and auto segment are expected to grow this will help the glass industry to grow.
- **Strategic Focus:** TTCH aims to reduce debt in the international business using cash flows and expanding the overall capacity from 4.3MMT to 7.0MMT with major focus in India.

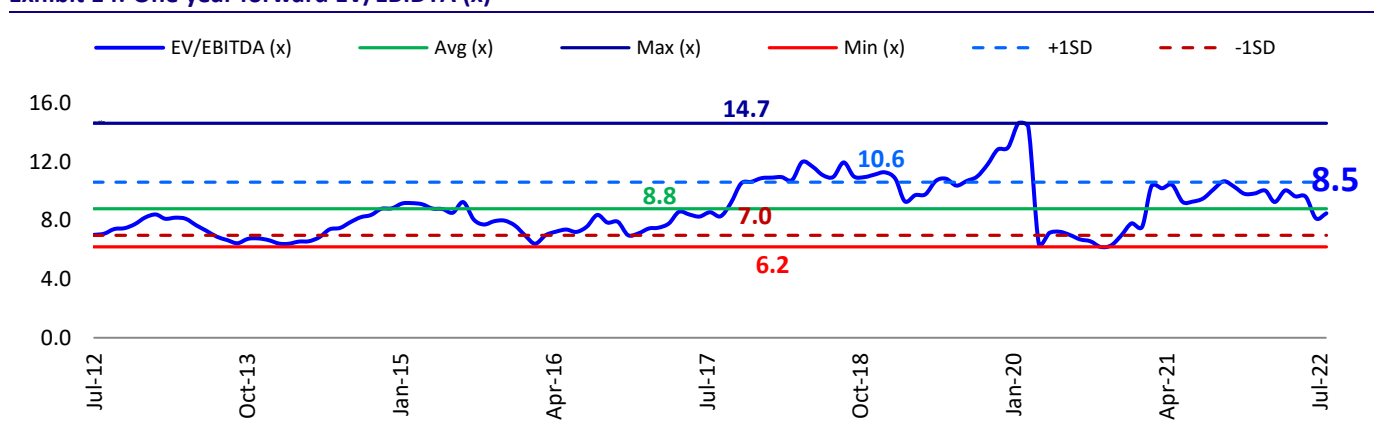
Valuation and view

- We expect the favorable soda ash demand-supply dynamics to sustain in medium term on back of emergence of newer applications such as solar glass and lithium Ion batteries. However, on a one-year forward basis, TTCH is trading at an average EV/EBITDA of 8.8x which is at par with last 10 years average.
- We expect a revenue/EBITDA/PAT CAGR of 16%/21%/15% over FY22-24.
- Factoring the strong operating performance in 1QFY23, we have raised our FY23/FY24 EBITDA estimate by 23%/11%. We maintain our **Neutral** rating with a SoTP-based TP of INR1,210/share.

Exhibit 13: Valuation methodology

Business	Methodology	Metrics	FY24	Multiple (x)	EV/MCAP (INR m)
Commodity (INR m)					
Inorganic Chemical India (Soda Ash and others) (Including manufacture of Salt)	EV/EBITDA (x)	EBITDA	14,775	11	1,61,936
Tata Chemicals North America	EV/EBITDA (x)	EBITDA	9,990	11	1,09,887
Tata Chemicals Europe and Tata Chemicals Africa	EV/EBITDA (x)	EBITDA	4,973	6	29,835
Sub Total					3,01,659
Specialty and Consumer (INR m)					
Rallis India (Tata Chemicals holds 50% stake) (INR m)	20% discount to Current MCAP	Attributable m-cap	44,825	0.8	17,930
Total EV (INR m)					3,19,589
Less: Debt (INR m)					57,370
Less: Minority Interest (INR m)					9,045
Less: Pension liability (INR m)					14,665
Add: Cash and liquid investment (INR m)					37,261
Add: Value of quoted investment (INR m)		M-cap	40,549	0.8	32,439
Target m-cap (INR m)					3,08,209
Outstanding share (m)					255
Target price (INR)					1,210

Source: MOFSL

Exhibit 14: One year forward EV/EBIDTA (x)

Source: MOFSL

Exhibit 15: Changes to our earnings estimates

Earnings Change (INR m)	Old		New		Change	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Revenue	1,61,833	1,66,113	1,64,223	1,68,680	1%	2%
EBITDA	28,375	30,722	34,968	34,003	23%	11%
Adj. PAT	13,799	14,392	18,922	16,806	37%	17%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement								(INR b)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Total Income from Operations	103.5	102.7	103.4	103.6	102.0	126.2	164.2	168.7
Change (%)	-32.0	-0.7	0.7	0.2	-1.5	23.7	30.1	2.7
Raw Materials	20.7	17.6	20.0	19.7	24.0	26.4	37.2	38.8
Employees Cost	12.6	12.7	13.2	13.8	14.0	15.4	16.7	18.6
Power, Oil & Fuel	11.6	12.7	14.8	14.5	14.4	21.1	26.8	29.5
Freight & forwarding charges	15.3	15.8	16.1	15.5	14.6	18.1	21.5	23.6
Other Expenses	22.2	22.0	21.5	20.6	20.1	22.2	27.1	24.2
Total Expenditure	82.5	80.8	85.6	84.1	87.0	103.2	129.3	134.7
% of Sales	79.8	78.7	82.8	81.2	85.3	81.7	78.7	79.8
EBITDA	20.9	21.9	17.8	19.5	15.0	23.0	35.0	34.0
Margin (%)	20.2	21.3	17.2	18.8	14.7	18.3	21.3	20.2
Depreciation	5.1	5.2	5.7	6.7	7.6	8.1	8.6	9.3
EBIT	15.8	16.7	12.1	12.8	7.4	15.0	26.4	24.7
Int. and Finance Charges	3.0	3.3	3.5	3.4	3.7	3.0	3.2	3.4
Other Income	1.7	1.6	4.1	3.1	2.3	2.6	1.9	2.2
PBT bef. EO Exp.	14.5	15.1	12.7	12.5	6.1	14.5	25.1	23.5
EO Items	0.0	0.6	0.7	0.0	0.0	-0.1	0.0	0.0
PBT after EO Exp.	14.5	15.7	13.4	12.5	6.1	14.4	25.1	23.5
Total Tax	3.5	0.6	2.7	2.2	2.0	2.7	5.8	5.8
Tax Rate (%)	23.8	3.8	20.5	17.5	32.5	18.5	23.3	24.5
MI & Profit/Loss of Asso. Cos.	2.3	2.2	1.3	2.3	1.5	-0.8	0.3	0.9
Reported PAT - Continuing Ops.	8.8	12.9	9.3	8.1	2.6	12.5	18.9	16.8
Adjusted PAT - Continuing Ops.	8.8	12.3	8.6	8.1	2.6	12.6	18.9	16.8
Change (%)	26.3	39.4	-29.7	-6.4	-68.2	392.9	49.7	-11.2
Margin (%)	8.5	11.9	8.3	7.8	2.5	10.0	11.5	10.0
Reported PAT - Discontinuing Ops.	1.1	11.4	2.2	62.0	0.0	0.0	0.0	0.0
Reported PAT	9.9	24.3	11.6	70.1	2.6	12.6	18.9	16.8
Adjusted PAT	9.9	23.7	10.9	70.1	2.6	12.7	18.9	16.8

Consolidated - Balance Sheet								(INR b)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Total Reserves	76.5	108.5	120.9	126.4	140.4	180.0	195.6	209.0
Net Worth	79.1	111.0	123.4	129.0	142.9	182.5	198.1	211.6
Minority Interest	26.2	27.2	29.1	7.6	8.5	9.0	9.0	9.0
Total Loans	70.5	64.2	61.4	77.0	69.3	70.3	67.2	57.4
Lease liability	0.0	0.0	0.0	1.9	1.9	1.4	1.9	1.9
Deferred Tax Liabilities	12.4	11.9	13.0	14.4	15.7	20.4	20.4	20.4
Capital Employed	188.2	214.3	227.0	229.9	238.4	283.5	296.6	300.3
Gross Block	120.0	126.1	138.1	161.5	168.2	183.5	205.4	216.4
Less: Accum. Deprn.	10.6	15.8	21.5	28.1	35.7	43.8	52.4	61.7
Net Fixed Assets	109.4	110.3	116.6	133.3	132.4	139.7	153.0	154.8
Goodwill on Consolidation	17.0	17.3	18.6	19.5	19.2	19.7	19.7	19.7
Capital WIP	3.3	4.1	7.7	8.4	10.9	16.7	7.8	6.8
Current Investments	2.2	0.9	22.5	16.0	15.6	13.3	13.3	13.3
Total Investments	27.9	28.7	56.4	43.1	58.7	77.4	77.4	77.4
Curr. Assets, Loans&Adv.	78.5	98.4	69.6	72.6	62.1	84.9	103.7	110.6
Inventory	13.9	14.6	17.3	18.7	16.9	22.9	28.0	29.2
Account Receivables	20.9	13.1	14.5	15.8	14.0	19.3	23.8	24.5
Cash and Bank Balance	16.6	44.8	19.5	20.8	14.1	13.1	19.0	24.0
Loans and Advances	27.0	25.9	18.3	17.3	17.2	29.6	32.8	32.9
Curr. Liability & Prov.	47.9	44.5	42.1	47.0	45.0	54.9	65.0	69.0
Account Payables	13.2	14.8	14.8	16.3	16.8	24.4	30.5	31.9
Other Current Liabilities	14.1	10.9	9.5	11.4	8.5	13.9	14.8	15.2
Provisions	20.6	18.8	17.8	19.3	19.6	16.5	19.7	21.9
Net Current Assets	30.5	53.9	27.6	25.6	17.1	30.1	38.7	41.6
Misc Expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appl. of Funds	188.2	214.3	227.0	229.9	238.4	283.5	296.6	300.3

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Basic (INR)								
EPS	34.5	48.1	33.8	31.7	10.1	49.6	74.3	66.0
Cash EPS	54.6	68.5	56.1	57.8	39.9	81.2	107.9	102.4
BV/Share	310.3	435.7	484.3	506.1	560.8	716.3	777.4	830.4
DPS	11.0	22.0	12.5	11.0	10.0	12.5	13.0	13.0
Payout (%)	39.2	53.4	42.0	42.7	122.3	31.3	17.5	19.7
Valuation (x)								
P/E	31.1	22.3	31.8	33.9	106.8	21.7	14.5	16.3
Cash P/E	19.7	15.7	19.1	18.6	27.0	13.2	10.0	10.5
P/BV	3.5	2.5	2.2	2.1	1.9	1.5	1.4	1.3
EV/Sales	3.4	3.1	3.1	3.1	3.2	2.6	1.9	1.8
EV/EBITDA	16.8	14.6	18.1	16.5	21.4	14.2	9.1	8.9
Dividend Yield (%)	1.0	2.0	1.2	1.0	0.9	1.2	1.2	1.2
FCF per share	113.3	76.9	19.7	-16.3	45.0	-29.1	57.1	83.1
Return Ratios (%)								
RoE	11.9	12.9	7.4	6.4	1.9	7.8	9.9	8.2
RoCE	8.6	10.9	7.2	6.7	3.1	6.2	8.4	7.6
Core RoCE	10.8	15.6	11.2	10.5	5.1	10.2	14.0	12.9
RoIC	8.1	11.6	6.9	7.0	3.2	7.4	11.0	9.7
Working Capital Ratios								
Fixed Asset Turnover (x)	0.9	0.8	0.7	0.6	0.6	0.7	0.8	0.8
Asset Turnover (x)	0.5	0.5	0.5	0.5	0.4	0.4	0.6	0.6
Inventory (Days)	244	304	315	347	257	317	275	275
Debtor (Days)	74	46	51	56	50	56	53	53
Creditor (Days)	232	307	269	302	256	338	300	300
Leverage Ratio (x)								
Current Ratio	1.6	2.2	1.7	1.5	1.4	1.5	1.6	1.6
Interest Cover Ratio	5.3	5.1	3.4	3.8	2.0	4.9	8.2	7.2
Net Debt/Equity	0.7	0.2	0.2	0.3	0.3	0.2	0.2	0.1

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	16.5	15.1	17.3	12.5	6.1	14.5	25.1	23.5
Depreciation	5.5	5.2	5.7	6.7	7.6	8.1	8.6	9.3
Interest & Finance Charges	4.6	1.7	3.7	0.3	1.3	0.5	1.3	1.2
Direct Taxes Paid	-4.5	-0.6	-4.8	-2.2	-2.0	-2.7	-5.8	-5.8
(Inc)/Dec in WC	12.1	4.8	-2.1	0.5	7.3	-6.1	-2.7	2.0
CF from Operations	34.3	26.1	19.7	17.8	20.4	14.3	26.4	30.3
Others	1.0	0.6	-3.9	0.0	0.0	-0.1	1.1	0.9
CF from Operating incl EO	35.3	26.7	15.8	17.8	20.4	14.2	27.6	31.2
(Inc)/Dec in FA	-6.4	-7.1	-10.8	-22.0	-8.9	-21.6	-13.0	-10.0
Free Cash Flow	28.9	19.6	5.0	-4.2	11.5	-7.4	14.6	21.2
(Pur)/Sale of Investments	-2.1	-0.8	-19.7	13.4	-15.6	-18.7	0.0	0.0
Others	0.6	1.6	10.9	-15.1	13.2	31.9	1.9	2.2
CF from Investments	-7.9	-6.3	-19.6	-23.7	-11.3	-8.4	-11.1	-7.8
Issue of Shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inc/(Dec) in Debt	-14.1	-6.3	-5.7	12.6	-7.7	0.9	-3.1	-9.8
Interest Paid	-4.5	-3.3	-2.9	-3.4	-3.7	-3.0	-3.2	-3.4
Dividend Paid	-3.1	-6.9	-6.7	-3.4	-3.1	-3.9	-3.3	-3.3
Others	-1.8	24.2	-6.2	1.4	-1.3	-0.8	-1.0	-1.8
CF from Fin. Activity	-23.4	7.7	-21.5	7.2	-15.8	-6.9	-10.6	-18.3
Inc/Dec of Cash	4.0	28.2	-25.3	1.3	-6.7	-1.0	5.9	5.0
Opening Balance	12.7	16.6	44.8	19.5	20.8	14.1	13.1	19.0
Closing Balance	16.6	44.8	19.5	20.8	14.1	13.1	19.0	24.0

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.