

Estimate change



TP change



Rating change



CMP: INR982

TP: INR1,110 (+13%)

Neutral

Higher soda ash realization continues to drive earnings

Operating performance in line with our expectations

- TTCH's consolidate EBITDA grew 47%, primarily led by higher realization per MT in the US (up 38% YoY/25% QoQ) and the UK (up 54% YoY/down 2% QoQ). Consequently, EBITDA/MT improved in the US by 52% YoY to USD91 and in the UK by 6.9x YoY to GBP144, aided by cost moderation and high realization.
- Factoring in a strong 4QFY23 performance in the US and the UK region, we raise our FY24/FY25 EBITDA estimates by 14%/11%. We **reiterate our Neutral rating with an SoTP-based TP of INR1,110.**

Strong EBITDA/MT in US and UK drives operating performance

- TTCH reported total revenue of INR44.1b (est. INR44.6b) in 4QFY23, up 27% YoY. EBITDA margin expanded 300bp YoY to 21.9% (est. 22.5%) due to lower raw material costs, employee expenses, and power & fuel expenses as a percentage of sales. EBITDA stood at INR9.65b (est. INR10b), up 47% YoY. Adj. PAT was up 54% YoY at INR7.1b (est. INR5b).
- Basic Chemistry revenue/EBIT grew 32%/70% YoY to INR38.2b/INR8.8b and EBIT margins expanded 520bp YoY/160bp QoQ to 22.9%. Specialty Products revenue grew 4% YoY to INR5.9b and the operating loss widened to INR930m from INR240m in 4QFY22.
- For India standalone/TCNA/TCEHL/TCAHL, revenue rose 17%/51%/23%/22% YoY to INR13b/INR16.5b/INR7.1b/INR2.1b, while EBITDA margins were down 5pp/up 2.5pp/up 24.7pp/up 8.7pp at 19.9%/27.7%/31.8%/43.8%, led by better realizations and a stable cost environment.
- For FY23, revenue/EBITDA/Adj. PAT increased 33%/66%/85% YoY INR168b/INR38.2b/INR23.4b. Net debt as of Mar'23 stood at ~INR39b, down 6% from Mar'22, primarily due to the prepayment of debt USD155m in overseas units during the year (INR12.5b).

Highlights from the management commentary

- Soda ash demand would remain balanced in the medium term, led by demand growth (2-6%) outpacing supply growth. China's reopening is a key demand driver for new applications such as solar glass and lithium-ion batteries. However, Mongolia capacity (~1.5MMT) would absorb some domestic demand in China in coming years.
- **Debt Repayment:** TTCH is expected to repay USD200-250m of debt in FY24.
- **Margin outlook:** The US will drive the company's growth, with margins expected to further improve marginally. UK margin is expected to moderate with a shift toward the fixed-margin model. Kenya and India would sustain the current margin and witness some improvement in 2QFY24 with further cost moderation.
- **Capacity Addition:** The additional soda ash capacity of 185kt in India is expected to come on stream in H2FY24. In the US, the capacity expansion of 400kt through debottlenecking is in the planning stage.

Bloomberg	TTCH IN
Equity Shares (m)	255
M.Cap.(INRb)/(USDb)	250.2 / 3.1
52-Week Range (INR)	1215 / 774
1, 6, 12 Rel. Per (%)	-4/-13/-15
12M Avg Val (INR M)	1522

Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	167.9	181.9	184.2
EBITDA	38.2	41.5	37.0
PAT	23.4	22.1	18.4
EBITDA (%)	22.8	22.8	20.1
EPS (INR)	91.6	86.6	72.3
EPS Gr. (%)	84.8	(5.4)	(16.6)
BV/Sh. (INR)	774	843	898
Ratios			
Net D/E	0.2	0.1	0.1
RoE (%)	12.3	10.7	8.3
RoCE (%)	11.0	9.8	8.2
Valuations			
P/E (x)	10.7	11.3	13.6
EV/EBITDA (x)	7.9	6.9	7.4
Div Yield (%)	1.8	1.8	1.8
FCF Yield (%)	1.0	8.8	8.4

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	38.0	38.0	38.0
DII	19.8	19.0	19.9
FII	14.6	14.4	13.6
Others	27.6	28.6	28.5

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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Valuation and view

- The soda ash demand-supply dynamic is expected to remain intact in the medium term, aided by the emergence of new applications, such as solar glass and lithium-ion batteries. However, increasing supply from China and fears of a global recession pose a risk to the demand-supply dynamic.
- Margins in the US and UK are expected to remain high in FY24; however, we believe margins will taper off from FY25 onward in the US market.
- Over FY22-25, we expect a revenue CAGR of 3% and estimate EBITDA/Adj. PAT to decline by 1%/8%.
- Factoring in a strong 4QFY23 performance in the US and the UK region, we raise our FY24/FY25 EBITDA estimates by 14%/11%. We **reiterate our Neutral rating with an SoTP-based TP of INR1,110.**

Consolidated - Quarterly Earning Model

(INR b)

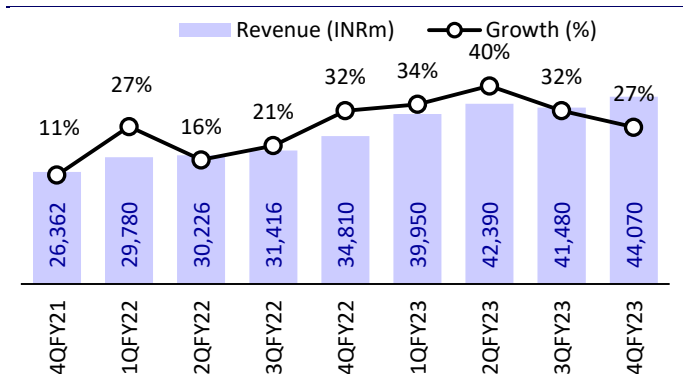
Y/E March	FY22				FY23				FY22	FY23	FY23E	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	29.8	30.2	31.4	34.8	40.0	42.4	41.5	44.1	126.2	167.9	44.6	-1
YoY Change (%)	26.8	15.8	20.5	32.0	34.2	40.2	32.0	26.6	23.8	33.0	28.1	
Total Expenditure	23.8	25.2	26.0	28.2	29.8	33.2	32.3	34.4	103.2	129.7	34.6	
EBITDA	6.0	5.0	5.5	6.6	10.2	9.2	9.2	9.7	23.0	38.2	10.0	-4
Margins (%)	20.2	16.6	17.4	18.9	25.4	21.7	22.2	21.9	18.3	22.8	22.5	
Depreciation	2.0	2.0	2.0	2.1	2.1	2.2	2.3	2.3	8.1	8.9	2.3	
Interest	0.8	0.8	0.7	0.7	0.8	0.9	1.1	1.3	3.0	4.1	0.9	
Other Income	0.5	0.6	0.4	1.1	0.5	0.6	0.4	0.8	2.6	2.2	0.5	
PBT before EO expense	3.8	2.7	3.1	4.9	7.7	6.8	6.3	6.7	14.5	27.4	7.3	
Extra-Ord expense	0.0	0.1	-0.1	0.3	0.0	0.1	0.1	0.0	0.3	0.2	0.0	
PBT	3.8	2.6	3.2	4.6	7.6	6.7	6.2	6.7	14.3	27.2	7.3	
Tax	0.9	0.7	0.7	0.4	1.6	0.4	1.0	-0.1	2.7	2.9	1.8	
Rate (%)	22.8	27.5	20.5	9.3	20.4	5.7	16.5	-1.2	18.8	10.6	24.5	
MI & Profit/Loss of Asso. Cos.	0.0	-0.1	-0.5	-0.2	0.2	0.1	1.3	-0.3	-0.8	1.2	0.6	
Reported PAT	2.9	2.0	3.1	4.4	5.9	6.3	3.9	7.1	12.4	23.2	5.0	
Adj PAT	2.9	2.1	3.0	4.6	5.9	6.3	4.0	7.1	12.6	23.4	5.0	43
YoY Change (%)	2,068.7	200.5	87.1	3,833.7	105.9	198.9	32.2	53.6	392.9	84.8	7.0	
Margins (%)	9.7	7.0	9.6	13.3	14.8	14.9	9.6	16.1	10.0	13.9	11.1	

Key Performance Indicators

Y/E March	FY22				FY23				FY22	FY23
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Consolidated										
Sales Volume (000'MT)										
North America	578	613	586	615	568	561	610	608	2,392	2,347
Europe	191	175	188	192	181	183	162	158	746	684
Africa	83	86	73	75	83	73	69	63	317	288
EBITDA/MT										
North America (USD)	40.6	43.3	32.9	60.2	62.9	47.1	65.0	91.3	44.4	67.0
Europe (GBP)	14.7	-10.0	34.4	20.9	51.0	83.5	93.9	144.2	15.5	91.4
Africa (USD)	40.9	51.9	46.1	107.7	185.5	230.0	218.6	175.5	60.9	202.5
Cost Break-up										
RM Cost (% of sales)	21.9	22.9	18.9	20.1	19.9	23.0	15.7	19.5	20.9	19.6
Staff Cost (% of sales)	12.6	12.4	12.5	11.4	10.2	9.4	10.4	10.4	12.2	10.1
Power and Fuel Cost (% of sales)	13.4	16.2	18.4	18.6	15.5	17.3	21.7	16.7	16.7	17.8
Freight and Distribution Cost (% of sales)	14.2	14.5	14.0	14.5	12.9	12.5	13.4	13.3	14.3	13.0
Other Cost (% of sales)	17.8	17.4	18.9	16.5	16.1	16.2	16.6	18.2	17.6	16.8
Gross Margins (%)	78.1	77.1	81.1	79.9	80.1	77.0	84.3	80.5	79.1	80.4
EBITDA Margins (%)	20.2	16.6	17.4	18.9	25.4	21.7	22.2	21.9	18.3	22.8
EBIT Margins (%)	13.6	10.0	10.9	13.0	20.1	16.6	16.8	16.6	11.9	17.5

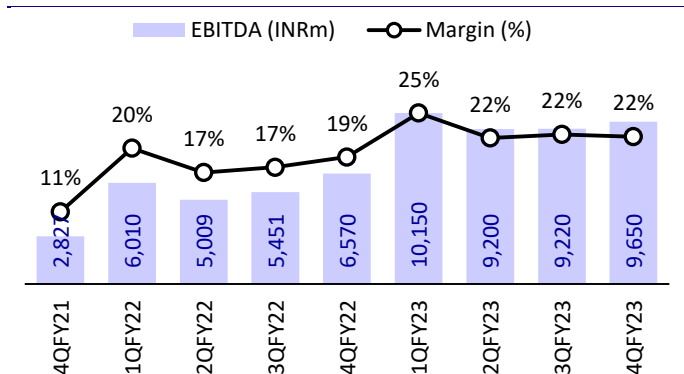
Key exhibits

Exhibit 1: Consolidated revenue trend



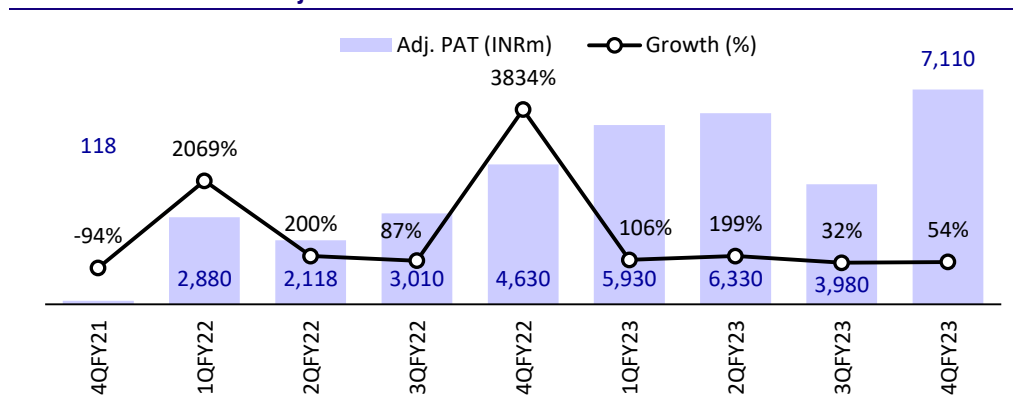
Sources: Company reports, MOFSL

Exhibit 2: Consolidated EBITDA trend



Sources: Company reports, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



Sources: Company reports, MOFSL

Exhibit 4: Consolidated segmental revenue

INR m	4QFY22	3QFY23	4QFY23	%YoY	%QoQ
Revenue					
Basic Chemistry products	29,030	34,730	38,220	32%	10%
Specialty products	5,640	6,760	5,890	4%	-13%
Less: Inter-segment revenue	40	70	70		
Add: Unallocated	180	60	30		
Total revenue	34,810	41,480	44,070	27%	6%

Sources: Company reports, MOFSL

Exhibit 5: Consolidated segmental EBIT

INR m	4QFY22	3QFY23	4QFY23	%YoY	%QoQ
EBIT					
Basic Chemistry products	5,160	7,420	8,760	70%	18%
Margin	17.8%	21.4%	22.9%		
Specialty products	-240	150	-930	288%	-720%
Margin	-4.3%	2.2%	-15.8%		
Total EBIT	4,920	7,570	7,830	59%	3%
Less: Finance Cost	690	1,070	1,330		
Less: Unallocated (income)/expense	-660	250	-230		
PBT	4,890	6,250	6,730	38%	8%

Sources: Company reports, MOFSL

Exhibit 6: Standalone operational performance trend

INR m	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	%YoY	%QoQ
Soda Ash sales volume ('000MT)	184	167	178	156	176	169	154	156	166	-6%	6%
Sodium Bicarbonate sales volume ('000MT)	31	28	27	33	29	30	28	29	33	14%	14%
Salt sales volume ('000MT)	302	312	320	294	325	330	303	333	340	5%	2%
Realization - Basic Chemistry Products (INR/MT)	15,315	15,168	15,066	17,983	19,736	21,815	23,443	22,606	22,931	16%	1%
Net sales	8,410	8,280	8,470	9,310	11,150	12,250	11,850	12,180	13,020	17%	7%
EBITDA	1,640	2,390	1,920	2,440	2,770	3,980	2,940	2,840	2,590	-6%	-9%
EBITDA (%)	19.5%	28.9%	22.7%	26.2%	24.8%	32.5%	24.8%	23.3%	19.9%	-495	-342
PBT	1,582	2,820	1,971	2,136	3,100	4,950	2,770	2,440	2,490	-20%	2%
PAT	1,196	2,280	1,346	1,557	2,680	3,810	2,430	1,900	2,130	-21%	12%

Sources: Company reports, MOFSL

Exhibit 7: Performance trend in its North American operations

INR m	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	%YoY	%QoQ
Soda Ash utilization (%)	87%	91%	97%	92%	96%	92%	88%	96%	96%		
Sales volume ('000MT)	566	578	613	586	615	568	561	610	608	-1%	0%
Realization (INR/MT)	14,258	14,481	14,144	15,205	17,756	19,701	21,016	21,689	27,138	53%	25%
Realization (USD/MT)	192	196	191	205	239	255	263	264	330	38%	25%
EBITDA/MT (USD)	15	41	43	33	60	63	47	65	91	52%	40%
Net sales	8,070	8,370	8,670	8,910	10,920	11,190	11,790	13,230	16,500	51%	25%
EBITDA	630	1,730	1,960	1,430	2,750	2,760	2,110	3,260	4,570	66%	40%
EBITDA (%)	7.8%	20.7%	22.6%	16.0%	25.2%	24.7%	17.9%	24.6%	27.7%	251	306
PAT	-520	510	660	250	1,740	1,410	820	1,600	2,900	67%	81%

Sources: Company reports, MOFSL

Exhibit 8: Performance trend in its Europe operations

INR m	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	%YoY	%QoQ
Soda Ash volume ('000MT)	67	68	68	71	71	65	69	63	60	-15%	-5%
Sodium Bicarbonate volume ('000MT)	29	27	25	28	30	28	30	24	23	-23%	-4%
Total sales volume ('000MT)	95	96	82	89	91	88	84	75	75		
Realization (INR/MT)	191	191	175	188	192	181	183	162	158	-18%	-2%
Realization (GBP/MT)	20,052	21,309	23,771	29,309	30,000	29,337	35,574	45,617	44,747	49%	-2%
EBITDA/MT (GBP)	207	207	232	287	294	276	383	462	453	54%	-2%
Net sales	10	15	-10	34	21	51	83	94	144	589%	54%
EBITDA	3,830	4,070	4,160	5,510	5,760	5,310	6,510	7,390	7,070	23%	-4%
EBITDA (%)	190	290	-180	660	410	980	1,420	1,500	2,250	449%	50%
PAT	5.0%	7.1%	-4.3%	12.0%	7.1%	18.5%	21.8%	20.3%	31.8%	2,471	1,153

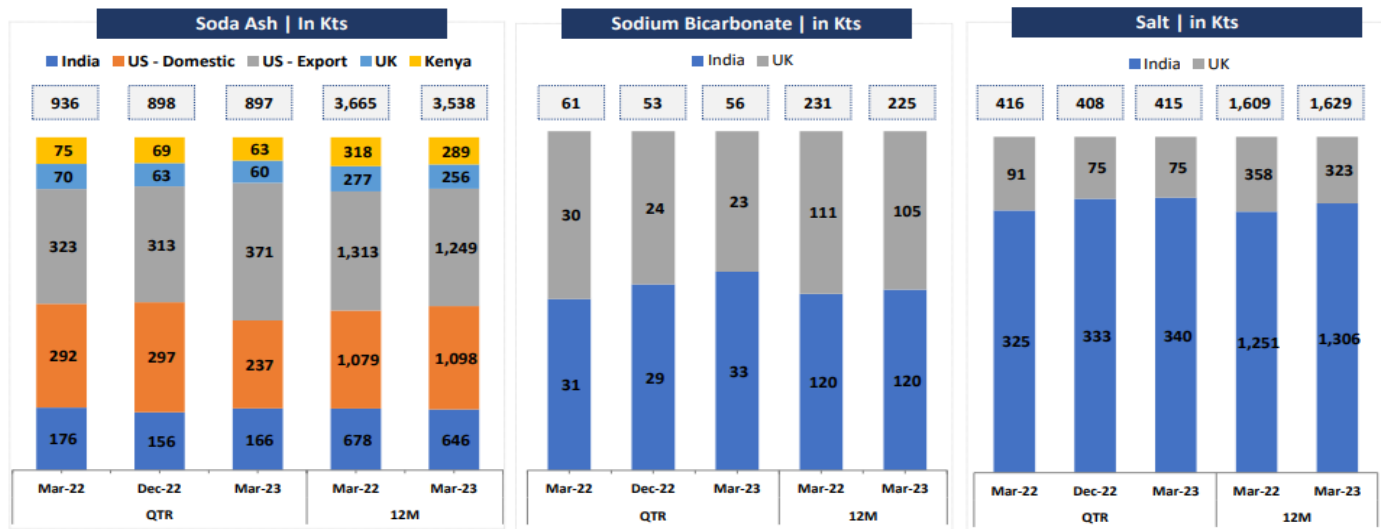
Sources: Company reports, MOFSL

Exhibit 9: Performance trend in its Africa operations

INR m	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	%YoY	%QoQ
Soda ash utilization (%)	81%	73%	91%	79%	80%	95%	83%	79%	72%		
Sales volume ('000MT)	68	83	86	73	75	83	73	69	63	-16%	-9%
Realization (INR/MT)	16,912	16,145	16,279	18,082	22,800	29,639	34,384	34,928	33,016	45%	-5%
Realization (USD/MT)	228	219	220	243	307	383	431	425	401	31%	-6%
EBITDA/MT (USD)	40	41	52	46	108	185	230	219	176	63%	-20%
Net sales	1,150	1,340	1,400	1,320	1,710	2,460	2,510	2,410	2,080	22%	-14%
EBITDA	200	250	330	250	600	1,190	1,340	1,240	910	52%	-27%
EBITDA (%)	17.4%	18.7%	23.6%	18.9%	35.1%	48.4%	53.4%	51.5%	43.8%	866	-770
PAT	100	160	110	180	510	1,110	1,540	1,070	780	53%	-27%

Sources: Company reports, MOFSL

Exhibit 10: Volume trend across geographies



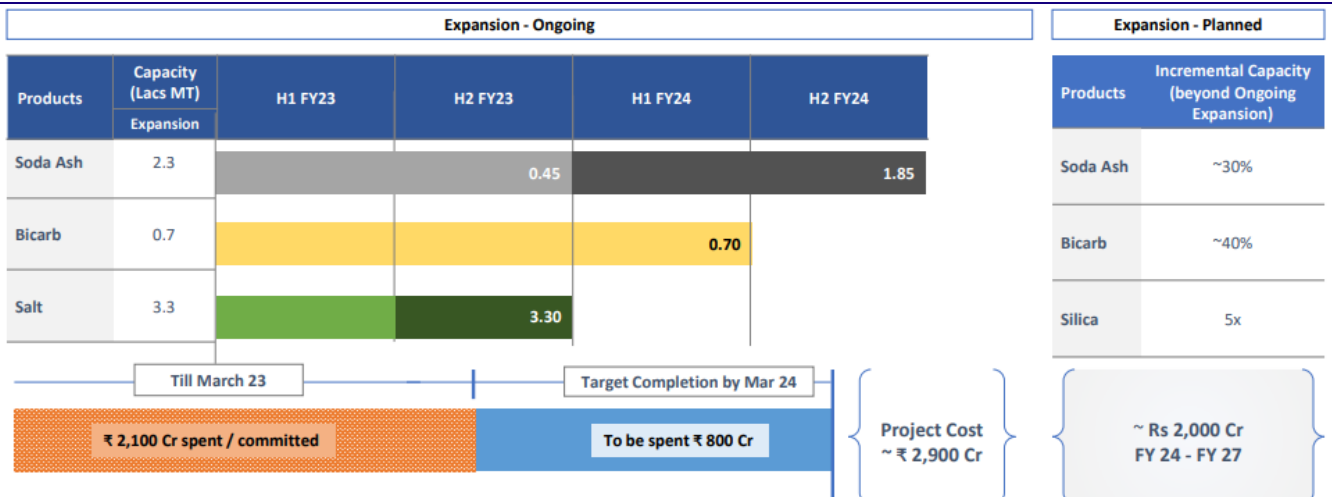
Sources: Company reports, MOFSL

Exhibit 11: Strategic priorities of TTCH

- TCL**
 - Deliver consistent market and customer delivery performance through customer engagement
 - Deliver capacity expansions on schedule - Soda Ash, Bicarb & Salt expansion on stream by FY23 & FY24
 - Continue focus on cost management
- Rallis**
 - Extend Portfolio offerings: New product introductions, plug portfolio gaps
 - Strengthen Manufacturing: Invest in manufacturing and registrations
- US**
 - Maximize plant output & ensure customer demand is fully met
 - Generate cash and repay debt
- UK**
 - Maximize volumes and ensure operating performance is in line with market dynamics
 - Operational efficiencies and cost structure rationalization
 - Manage energy cost pressures
- Kenya**
 - Sustain volume delivery to customers
 - Continuous cost focus
 - Generate cash

Sources: Company reports, MOFSL

Exhibit 12: Expansion pipeline of TTCH



Sources: Company reports, MOSL



Highlights from the management commentary

India

- India revenue grew by 17% YoY to INR13b due to higher selling prices amid stable demand.
- The company took a price correction (~INR1,000-1,500/MT) in the current quarter to avoid discounting in the market, led by increasing imports. However, TTCH is seeing some decline in imports.
- India and Kenya will hold on to current margins and will improve in 2QFY24, with costs coming down in coming quarters.
- The company keeps high inventory in H1 to avoid inventory hold-up during the monsoon, so inventory will come down in H2.
- A new 200kt soda ash capacity will come on stream by H2FY24.
- Salt capacity will increase by 200kt, which will be slowly absorbed in the market at a rate of 100kt per year.

TCNA

- In **North America**, revenue growth of 51% YoY was mainly driven by a 38% improvement in realization, while volumes fell marginally by 1% to 608KMT.
- Overall US volumes remained strong (~96% capacity utilization), with growth in export volumes (up 15% YoY to 371kt), while domestic volumes declined by 19% YoY to 237kt.
- Realization further increased to USD330/MT (up 38% YoY/25% QoQ). Realization is expected to improve from 4QFY23, driven by an increase in prices from new contracts.
- EBITDA/MT stood at USD91/MT v/s USD60/MT in 4QFY22 and USD65/MR in 3QFY23.
- The US region is witnessing strong export demand from all parts of the world.
- Annual contracts have started to kick in and margin expansion will continue in FY24. The company expects current Realizations to be sustained in FY24.
- The US would continue to lead in terms of margins and volumes.
- TCNA supplies mainly to Canada, US and Mexico, which is its domestic market. The company exports to Latin America, Far East and, to some extent, Southeast Asia.
- The company is not witnessing any demand pressure so far, as its exit from ANZSAC is concerned. US contracts are fully sold out.
- TCNA does 1/3rd of total exports from the US, which will come down in the next three years as the company exited from ANSAC.
- Both domestic and export realizations have gone up and will be more visible in 1QFY24 results.
- Lower domestic volume this quarter was mainly due to higher exports.
- The company is in the final stage of finishing the debottlenecking planning. It intends to add ~400kt of capacity, which will come on stream in 24-28 months once initiated.

TCEHL

- Revenue came in at INR7.1b, up by 23% YoY.
- Total sales volumes declined by 18% YoY.

- Realizations witnessed a marginal reduction sequentially by 2% to GBP453/MT (up 54% YoY). EBITDA/MT improved by 6.9x YoY/54% QoQ to GBP144, largely due to cost moderation and a shift toward fixed-margin contracts.
- Margins will moderate and will stabilize to normal profitable levels, but this will be at a higher level than pre-Covid.
- Soda Ash volumes declined 15% YoY/9% QoQ to 60kt. Sodium Bicarb volumes declined 23% YoY/4% QoQ to 23kt, while Salt volume declined 18% YoY to 75kt (flat QoQ).
- The company benefited from the lower cost hedge of gas this quarter that was being placed till Mar'23.
- Most of the supplies of the company are in the UK. It has not seen any adverse demand-supply mix in the UK from Turkey's capacity.
- TCEHL is moving more and more to value-added salt segments. The pharma salt capacity is coming on stream by the end of FY24.
- Solvay highlighted a slowdown in flat glass demand in the Europe region; however, the company does not supply to any flat glass player in the UK, and the company only sells to container glass plants.
- The company has contracted fully for CY23.

TCAHL

- Revenue came in at INR2.1b, up 22% YoY, led by a strong performance in realization, which was up 31% YoY to USD401/MT. Sequentially realizations have been tapering off from the high seen in 2QFY23 at USD431/MT. Volumes decreased 16% YoY/9% QoQ to 63kt.
- EBITDA/MT came in at USD176 v/s USD108 in 4QFY22 and USD219 in 3QFY22.
- TCAHL became debt free in FY23.
- Margins will moderate to normal levels but will be higher than pre-Covid levels.

Demand

- Strong demand growth is expected from new applications such as solar glass and lithium-ion-batteries.
- Soda Ash demand to remain balanced over the medium term, led by demand growth (2-6%) outpacing supply growth. China's reopening is a key demand driver for new applications such as solar glass and lithium-ion-battery. However, Mongolia capacity (~1.5MMT) would absorb some domestic demand in China in coming years as they are located far from the port.
- All growth drivers are sustainability drivers such as solar glass and lithium-ion battery.
- Annual global soda ash demand growth is ~1.5-2MMT, while supply growth is at par or below the required additional demand.
- Main demand growth in India is expected to come from the increased glass lines (flat and container), which are coming to India. Additional demand is from the solar glass line coming to India due to PLI and other schemes.

Other Highlights

- **Rallis** witnessed a difficult quarter, with revenue growth of only 3% YoY to INR5.2b and an operating loss of INR650m. The management expects Rallis to report a strong FY24.

- **Net debt:** The company repaid more debt in FY23 than it guided. In FY24, the company plans to repay ~USD200-250m of debt.
- **Limestone reserves.** The US has a reserve life of over 1,000 years, while China's reserves will last for another 20-25 years and Turkey's reserves are much lower than China's.
- **Sodium Bi-carb** continues to grow in the range of 5% to 7%. It finds application into multiple sectors, including animal feed, poultry, human feed, food applications, and pharmaceutical applications.

Valuation and view

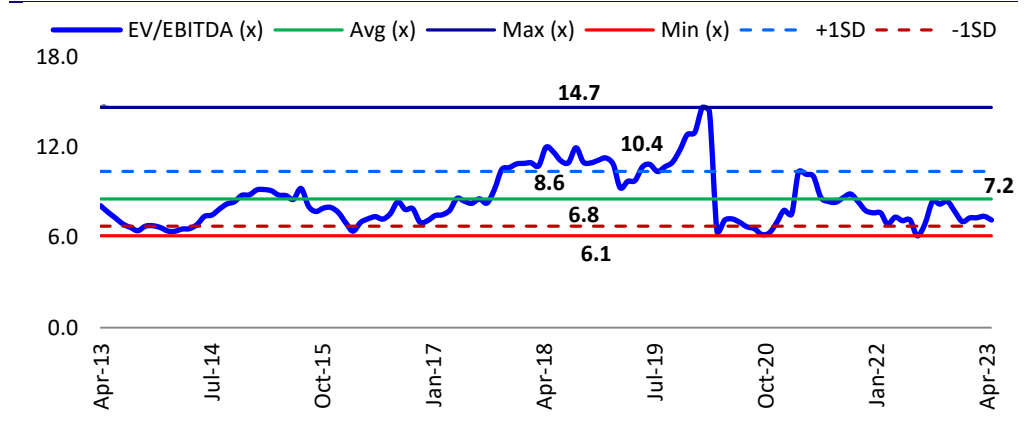
- The soda ash demand-supply dynamic is expected to remain intact in the medium term, aided by the emergence of new applications, such as solar glass and lithium-Ion batteries. However, increasing supply from China and fears of a global recession pose a risk to the demand-supply dynamic.
- Margins in the US and the UK are expected to remain high in FY24; however, we believe margins will taper off from FY25 onward in the US market.
- Over FY22-25, we expect a revenue CAGR of 3% over FY22-25 and estimates EBITDA/Adj. PAT to decline by 1%/8%.
- Factoring in a strong 4QFY23 performance in the US and the UK region, we raise our FY24/FY25 EBITDA estimates by 14%/11%. We **reiterate our Neutral rating with an SoTP-based TP of INR1,110.**

Exhibit 13: Valuation methodology

Business	Methodology	Metrics	FY25	Multiple (x)	EV/MCAP (INR m)
Commodity (INR m)					
Inorganic Chemical India (Soda Ash and others) (Including manufacture of Salt)	EV/EBITDA (x)	EBITDA	13,386	9	1,23,150
Tata Chemicals North America	EV/EBITDA (x)	EBITDA	13,044	8	1,08,269
Tata Chemicals Europe and Tata Chemicals Africa	EV/EBITDA (x)	EBITDA	6,778	5	33,891
Sub Total					2,65,310
Specialty and Consumer (INR m)					
Rallis India (Tata Chemicals holds 50% stake) (INR m)	20% discount to Current MCAP	Attributable m-cap	37,017	0.8	14,807
Total EV (INR m)					2,80,116
Less: Debt (INR m)					39,109
Less: Minority Interest (INR m)					9,210
Less: Pension liability (INR m)					10,624
Add: Cash and liquid investment (INR m)					25,690
Add: Value of quoted investment (INR m)		M-cap	45,078	0.8	36,062
Target m-cap (INR m)					2,82,926
Outstanding share (m)					254.82
Target price (INR)					1,110

Source: MOFSL

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



Source: MOSL

Exhibit 15: Changes to our earnings estimates

Earnings Change (INR m)	Old		New		Change	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	1,71,195	1,79,016	1,81,899	1,84,180	6%	3%
EBITDA	36,305	33,371	41,501	37,013	14%	11%
Adj. PAT	17,166	14,603	22,078	18,423	29%	26%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement								(INR b)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Total Income from Operations	103.5	102.7	103.4	103.6	102.0	126.2	167.9	181.9	184.2
Change (%)	-32.0	-0.7	0.7	0.2	-1.5	23.7	33.0	8.3	1.3
Raw Materials	20.7	17.6	20.0	19.7	24.0	26.4	32.8	36.4	36.8
Employees Cost	12.6	12.7	13.2	13.8	14.0	15.4	16.9	19.1	20.3
Power, Oil & Fuel	11.6	12.7	14.8	14.5	14.4	21.1	29.9	28.7	28.5
Freight & forwarding charges	15.3	15.8	16.1	15.5	14.6	18.1	21.8	23.6	23.9
Other Expenses	22.2	22.0	21.5	20.6	20.1	22.2	28.2	32.5	37.6
Total Expenditure	82.5	80.8	85.6	84.1	87.0	103.2	129.7	140.4	147.2
% of Sales	79.8	78.7	82.8	81.2	85.3	81.7	77.2	77.2	79.9
EBITDA	20.9	21.9	17.8	19.5	15.0	23.0	38.2	41.5	37.0
Margin (%)	20.2	21.3	17.2	18.8	14.7	18.3	22.8	22.8	20.1
Depreciation	5.1	5.2	5.7	6.7	7.6	8.1	8.9	9.4	10.2
EBIT	15.8	16.7	12.1	12.8	7.4	15.0	29.3	32.1	26.8
Int. and Finance Charges	3.0	3.3	3.5	3.4	3.7	3.0	4.1	3.7	2.9
Other Income	1.7	1.6	4.1	3.1	2.3	2.6	2.2	2.2	2.1
PBT bef. EO Exp.	14.5	15.1	12.7	12.5	6.1	14.5	27.4	30.6	26.0
EO Items	0.0	0.6	0.7	0.0	0.0	-0.1	-0.2	0.0	0.0
PBT after EO Exp.	14.5	15.7	13.4	12.5	6.1	14.4	27.2	30.6	26.0
Total Tax	3.5	0.6	2.7	2.2	2.0	2.7	2.9	7.5	6.4
Tax Rate (%)	23.8	3.8	20.5	17.5	32.5	18.5	10.6	24.5	24.5
MI & Profit/Loss of Asso. Cos.	2.3	2.2	1.3	2.3	1.5	-0.8	1.2	1.0	1.2
Reported PAT - Continuing Ops.	8.8	12.9	9.3	8.1	2.6	12.5	23.2	22.1	18.4
Adjusted PAT - Continuing Ops.	8.8	12.3	8.6	8.1	2.6	12.6	23.4	22.1	18.4
Change (%)	26.3	39.4	-29.7	-6.4	-68.2	392.9	84.8	-5.4	-16.6
Margin (%)	8.5	11.9	8.3	7.8	2.5	10.0	13.9	12.1	10.0
Reported PAT - Discontinuing Ops.	1.1	11.4	2.2	62.0	0.0	0.0	0.0	0.0	0.0
Reported PAT	9.9	24.3	11.6	70.1	2.6	12.6	23.2	22.1	18.4
Adjusted PAT	9.9	23.7	10.9	70.1	2.6	12.7	23.4	22.1	18.4

Consolidated - Balance Sheet								(INR b)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	2.5	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	194.7	212.3	226.2
Net Worth	79.1	111.0	123.4	129.0	142.9	182.5	197.2	214.8	228.8
Minority Interest	26.2	27.2	29.1	7.6	8.5	9.0	9.2	9.2	9.2
Total Loans	70.5	64.2	61.4	77.0	69.3	70.3	63.0	50.8	39.1
Lease liability	0.0	0.0	0.0	1.9	1.9	1.4	1.4	1.9	1.9
Deferred Tax Liabilities	12.4	11.9	13.0	14.4	15.7	20.4	19.4	19.4	19.4
Capital Employed	188.2	214.3	227.0	229.9	238.4	283.5	290.1	296.1	298.3
Gross Block	120.0	126.1	138.1	161.5	168.2	183.5	201.6	227.3	238.0
Less: Accum. Deprn.	10.6	15.8	21.5	28.1	35.7	43.8	52.7	62.1	72.4
Net Fixed Assets	109.4	110.3	116.6	133.3	132.4	139.7	148.9	165.1	165.6
Goodwill on Consolidation	17.0	17.3	18.6	19.5	19.2	19.7	21.6	21.6	21.6
Capital WIP	3.3	4.1	7.7	8.4	10.9	16.7	24.1	8.4	5.6
Current Investments	2.2	0.9	22.5	16.0	15.6	13.3	12.7	12.7	12.7
Total Investments	27.9	28.7	56.4	43.1	58.7	77.4	75.4	75.4	75.4
Curr. Assets, Loans&Adv.	78.5	98.4	69.6	72.6	62.1	84.9	80.9	91.4	97.1
Inventory	13.9	14.6	17.3	18.7	16.9	22.9	25.3	27.9	28.3
Account Receivables	20.9	13.1	14.5	15.8	14.0	19.3	26.3	27.9	28.3
Cash and Bank Balance	16.6	44.8	19.5	20.8	14.1	13.1	6.7	10.2	13.0
Loans and Advances	27.0	25.9	18.3	17.3	17.2	29.6	22.7	25.5	27.6
Curr. Liability & Prov.	47.9	44.5	42.1	47.0	45.0	54.9	60.7	65.8	67.0
Account Payables	13.2	14.8	14.8	16.3	16.8	24.4	26.0	28.9	29.3
Other Current Liabilities	14.1	10.9	9.5	11.4	8.5	13.9	16.7	17.3	17.5
Provisions	20.6	18.8	17.8	19.3	19.6	16.5	18.1	19.6	20.3
Net Current Assets	30.5	53.9	27.6	25.6	17.1	30.1	20.2	25.6	30.1
Misc Expenditure	0.0	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	290.1	296.1	298.3

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)									
EPS	34.5	48.1	33.8	31.7	10.1	49.6	91.6	86.6	72.3
Cash EPS	54.6	68.5	56.1	57.8	39.9	81.2	126.6	123.7	112.5
BV/Share	310.3	435.7	484.3	506.1	560.8	716.3	773.9	843.1	897.8
DPS	11.0	22.0	12.5	11.0	10.0	12.5	17.5	17.5	17.5
Payout (%)	39.2	53.4	42.0	42.7	122.3	31.3	19.2	20.2	24.2
Valuation (x)									
P/E	28.5	20.4	29.0	31.0	97.6	19.8	10.7	11.3	13.6
Cash P/E	18.0	14.3	17.5	17.0	24.6	12.1	7.8	7.9	8.7
P/BV	3.2	2.3	2.0	1.9	1.8	1.4	1.3	1.2	1.1
EV/Sales	3.2	2.9	2.9	2.9	2.9	2.4	1.8	1.6	1.5
EV/EBITDA	15.7	13.5	16.8	15.3	19.9	13.2	7.9	6.9	7.4
Dividend Yield (%)	1.1	2.2	1.3	1.1	1.0	1.3	1.8	1.8	1.8
FCF per share	113.3	76.9	19.7	-16.3	45.0	-29.1	9.5	86.7	82.3
Return Ratios (%)									
RoE	11.9	12.9	7.4	6.4	1.9	7.8	12.3	10.7	8.3
RoCE	8.6	10.9	7.2	6.7	3.1	6.2	11.0	9.8	8.2
Core RoCE	10.8	15.6	11.2	10.5	5.1	10.2	17.7	15.5	13.0
RoIC	8.1	11.6	6.9	7.0	3.2	7.4	14.5	12.5	9.9
Working Capital Ratios									
Fixed Asset Turnover (x)	0.9	0.8	0.7	0.6	0.6	0.7	0.8	0.8	0.8
Asset Turnover (x)	0.5	0.5	0.5	0.5	0.4	0.4	0.6	0.6	0.6
Inventory (Days)	244	304	315	347	257	317	282	280	280
Debtor (Days)	74	46	51	56	50	56	57	56	56
Creditor (Days)	232	307	269	302	256	338	289	290	290
Leverage Ratio (x)									
Current Ratio	1.6	2.2	1.7	1.5	1.4	1.5	1.3	1.4	1.4
Interest Cover Ratio	5.3	5.1	3.4	3.8	2.0	4.9	7.2	8.7	9.2
Net Debt/Equity	0.7	0.2	0.2	0.3	0.3	0.2	0.2	0.1	0.1

Consolidated - Cash Flow Statement

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
(INR b)									
OP/(Loss) before Tax	16.5	15.1	17.3	12.5	6.1	14.5	27.4	30.6	26.0
Depreciation	5.5	5.2	5.7	6.7	7.6	8.1	8.9	9.4	10.2
Interest & Finance Charges	4.6	1.7	3.7	0.3	1.3	0.5	1.9	1.5	0.8
Direct Taxes Paid	-4.5	-0.6	-4.8	-2.2	-2.0	-2.7	-4.1	-7.5	-6.4
(Inc)/Dec in WC	12.1	4.8	-2.1	0.5	7.3	-6.1	-6.8	-1.9	-1.7
CF from Operations	34.3	26.1	19.7	17.8	20.4	14.3	27.4	32.1	29.0
Others	1.0	0.6	-3.9	0.0	0.0	-0.1	2.4	0.0	0.0
CF from Operating incl EO	35.3	26.7	15.8	17.8	20.4	14.2	29.7	32.1	29.0
(Inc)/Dec in FA	-6.4	-7.1	-10.8	-22.0	-8.9	-21.6	-27.3	-10.0	-8.0
Free Cash Flow	28.9	19.6	5.0	-4.2	11.5	-7.4	2.4	22.1	21.0
(Pur)/Sale of Investments	-2.1	-0.8	-19.7	13.4	-15.6	-18.7	2.0	0.0	0.0
Others	0.6	1.6	10.9	-15.1	13.2	31.9	11.1	2.2	2.1
CF from Investments	-7.9	-6.3	-19.6	-23.7	-11.3	-8.4	-14.3	-7.8	-5.9
Issue of Shares	0.0	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	-7.3	-12.1	-11.7
Interest Paid	-4.5	-3.3	-2.9	-3.4	-3.7	-3.0	-4.1	-3.7	-2.9
Dividend Paid	-3.1	-6.9	-6.7	-3.4	-3.1	-3.9	-4.5	-4.5	-4.5
Others	-1.8	24.2	-6.2	1.4	-1.3	-0.8	-6.1	-0.5	-1.2
CF from Fin. Activity	-23.4	7.7	-21.5	7.2	-15.8	-6.9	-21.9	-20.8	-20.3
Inc/Dec of Cash	4.0	28.2	-25.3	1.3	-6.7	-1.0	-6.5	3.5	2.8
Opening Balance	12.7	16.6	44.8	19.5	20.8	14.1	13.1	6.7	10.2
Closing Balance	16.6	44.8	19.5	20.8	14.1	13.1	6.7	10.2	13.0

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