

Tata Chemicals

Estimate change



TP change



Rating change



Bloomberg	TTCH IN
Equity Shares (m)	255
M.Cap.(INRb)/(USDb)	268.3 / 3.2
52-Week Range (INR)	1350 / 933
1, 6, 12 Rel. Per (%)	-3/-3/-23
12M Avg Val (INR M)	1947

Financials & Valuations (INR b)

Y/E Mar	2024	2025E	2026E
Sales	154.2	156.9	167.0
EBITDA	28.5	25.7	31.6
PAT	9.2	7.6	12.6
EBITDA (%)	18.5	16.3	18.9
EPS (INR)	36.1	29.6	49.4
EPS Gr. (%)	(60.5)	(18.0)	66.7
BV/Sh. (INR)	873	887	921

Ratios

Net D/E	0.2	0.2	0.1
RoE (%)	4.4	3.4	5.5
RoCE (%)	4.0	4.4	6.3

Valuations

P/E (x)	29.1	35.5	21.3
EV/EBITDA (x)	11.2	12.2	9.5
Div Yield (%)	1.4	1.4	1.5
FCF Yield (%)	3.6	5.9	7.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	38.0	38.0	38.0
DII	20.0	20.0	19.9
FII	13.8	13.8	14.5
Others	28.3	28.2	27.6

CMP: INR1,053

TP: INR980 (-7%)

Neutral

Pricing pressure continues to hurt performance

Operating performance misses our expectations

- TTCH's 1QFY25 consolidated EBITDA declined 45% YoY, due to subdued operating performance across geographies, with India/US/UK/Kenya reporting EBITDA decline of 19%/58%/84%/61% YoY.
- Factoring in weak 1Q performance and pricing-led margin pressure across geographies, we cut our FY25/FY26 EBITDA estimates by 6%/3%. **Reiterate our Neutral rating with an SoTP-based TP of INR980.**

Broad-based revenue decline

- TTCH reported total revenue of INR37.9b (est. INR39.5b) in 1QFY25, down 10% YoY, due to lower realization YoY across regions. EBITDA margin contracted by 960bp YoY to 15.1% (est. 16.5%) due to adverse operating leverage; EBITDA stood at INR5.7b (est. INR6.5b), down 45% YoY. Adj. PAT was down 74% YoY at INR1.35b (est. INR1.8b).
- Basic Chemistry Products revenue declined 12% YoY to INR29.7b, EBIT fell 62% YoY to INR3b, and EBIT margins stood at 10% (down 1320bp YoY).
- Specialty Products revenue declined 2% YoY to INR8.2b, EBIT declined 8% YoY to INR600m, and EBIT margins stood at 7.3% (down 50bp YoY).
- India standalone/TCNA/TCEHL/TCAHL revenue declined 8%/14%/19%/15% YoY to INR10.5b/INR12.8b/INR5.3b/INR1.5b. Rallis revenue was flat YoY at INR7.8b.
- EBITDA declined across the board, with TCEHL/TCAHL/TCNA declining the most by 84%/61%/58% YoY to INR180m/INR250m/INR1,980m, followed by India Standalone/Rallis down 19%/13% to INR2.4b/INR960m. EBITDA margins for India Standalone/TCNA/TCEHL/TCAHL contracted 3pp/16.6pp/14pp/ 19.7pp/1.8pp YoY to 22.4%/15.5%/ 3.4%/16.9%/12.3%. EBITDA/MT of TCNA/TCAHL declined by 63%/69% YoY to ~USD40/~USD43.
- Gross/net debt stood at ~INR63.8b/INR47.9b as of Jun'24 (vs. ~INR55.6b/INR41.6b as of Mar'24).

Highlights from the management commentary

- **Demand-Supply scenario:** Overall, soda ash demand is balanced and is expected to remain similar for the next couple of quarters. However, the company is watchful of demand from China, which has been fairly good so far.
- **Guidance:** The company has commissioned 230KMT/330KMT/70KMT of soda ash/salt/bicarb capacity as per its ongoing expansion plan. It expects ~INR4b of incremental EBITDA in FY26 from new capacities. It will incur ~INR20b of capex over FY25-28E to increase soda ash capacity by ~20%, bicarb by ~30% and silica by 5x.
- **TCNA:** Domestic prices in the US are likely to remain stable until Dec'24. Export prices will be in sync with the market. Margins in export orders is likely to increase due to better realization.

Sumant Kumar - Research Analyst (Sumant.Kumar@MotilalOswal.com)

Research Analyst: Meet Jain (meet.jain@motilaloswal.com) | **Omkar Shintre** (omkar.shintre@motilaloswal.com)

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

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Valuation and view

- There are certain short-term challenges in the soda ash demand-supply dynamics owing to weak demand in Western Europe, which result in suppliers (majorly from Turkey) exporting soda ash beyond Europe (impacting global prices adversely). However, the situation is expected to balance out in the medium term, with the emergence of new applications, such as solar glass and lithium-ion batteries.
- Factoring in weak 1Q performance and pricing-led margin pressure across geographies, we cut our FY25/FY26 EBITDA estimates by 6%/3%. **Reiterate our Neutral rating with an SoTP-based TP of INR980.**

Consolidated - Quarterly Earning

(INRm)

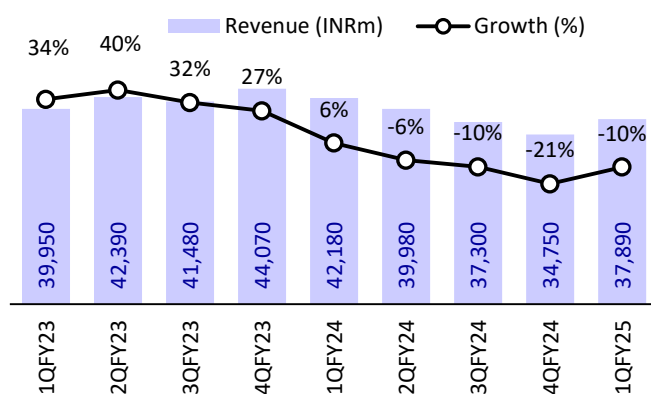
Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	%
Net Sales	42,180	39,980	37,300	34,750	37,890	40,707	39,125	39,195	154,210	156,918	39,462	-4
YoY Change (%)	5.6	-5.7	-10.1	-21.1	-10.2	1.8	4.9	12.8	-8.1	1.8	-4.9	
Total Expenditure	31,750	31,790	31,880	30,320	32,150	34,197	32,685	32,235	125,740	131,267	32,956	
EBITDA	10,430	8,190	5,420	4,430	5,740	6,511	6,440	6,960	28,470	25,651	6,505	-12
Margins (%)	24.7	20.5	14.5	12.7	15.1	16.0	16.5	17.8	18.5	16.3	16.5	
Depreciation	2,290	2,340	2,460	2,710	2,730	2,730	2,730	2,735	9,800	10,925	2,720	
Interest	1,230	1,450	1,320	1,300	1,330	1,150	1,100	911	5,300	4,491	1,200	
Other Income	490	850	380	1,140	470	935	418	348	2,860	2,171	539	
PBT before EO expense	7,400	5,250	2,020	1,560	2,150	3,566	3,028	3,663	16,230	12,406	3,124	
Extra-Ord expense	-90	-1,020	0	9,630	0	0	0	0	8,520	0	0	
PBT	7,490	6,270	2,020	-8,070	2,150	3,566	3,028	3,663	7,710	12,406	3,124	
Tax	1,710	1,200	680	220	940	874	742	897	3,810	3,453	765	
Rate (%)	22.8	19.1	33.7	-2.7	43.7	24.5	24.5	24.5	49.4	27.8	24.5	
MI & Profit/Loss of Asso. Cos.	550	790	-240	-20	-140	509	489	540	1,080	1,398	564	
Reported PAT	5,230	4,280	1,580	-8,270	1,350	2,183	1,797	2,225	2,820	7,555	1,795	
Adj PAT	5,163	3,515	1,580	-1,048	1,350	2,183	1,797	2,225	9,210	7,555	1,795	-25
YoY Change (%)	-12.8	-44.4	-60.1	-114.7	-73.8	-37.9	13.7	-312.4	-60.5	-18.0	-54.7	
Margins (%)	12.2	8.8	4.2	-3.0	3.6	5.4	4.6	5.7	6.0	4.8	4.5	

Key Performance Indicators

Y/E March	FY24				FY25E				FY24	FY25E
Consolidated	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Volume (000'MT)										
North America	535	545	529	626	588	572	545	639	2,235	2,288
Europe	153	156	156	144	148	156	161	161	609	604
Africa	55	61	64	64	69	64	66	68	244	258
EBITDA/MT										
North America (USD)	108.2	70.9	32.9	28.3	40.4	43.0	45.0	50.0	58.9	42.6
Europe (GBP)	72.7	71.6	35.5	42.6	11.8	23.0	25.0	28.0	55.8	40.7
Africa (USD)	141.6	101.2	105.2	73.4	43.4	60.0	85.0	88.7	104.1	79.9
Cost Break-up										
RM Cost (% of sales)	16.8	20.5	18.7	13.7	21.1	21.5	20.0	16.0	17.5	19.6
Staff Cost (% of sales)	10.9	11.4	12.6	13.8	12.6	12.0	12.9	13.3	12.1	12.7
Power and Fuel Cost (% of sales)	16.2	16.3	18.9	18.2	14.4	14.8	15.5	15.0	17.3	14.9
Freight and Distribution Cost (% of sales)	12.5	13.1	14.9	19.0	17.6	16.0	16.0	16.0	14.7	16.4
Other Cost (% of sales)	18.9	18.3	20.4	22.5	19.2	19.7	19.1	21.9	19.9	20.0
Gross Margins (%)	83.2	79.5	81.3	86.3	78.9	78.5	80.0	84.0	82.5	80.4
EBITDA Margins (%)	24.7	20.5	14.5	12.7	15.1	16.0	16.5	17.8	18.5	16.3
EBIT Margins (%)	19.3	14.6	7.9	4.9	7.9	9.3	9.5	10.8	12.1	9.4

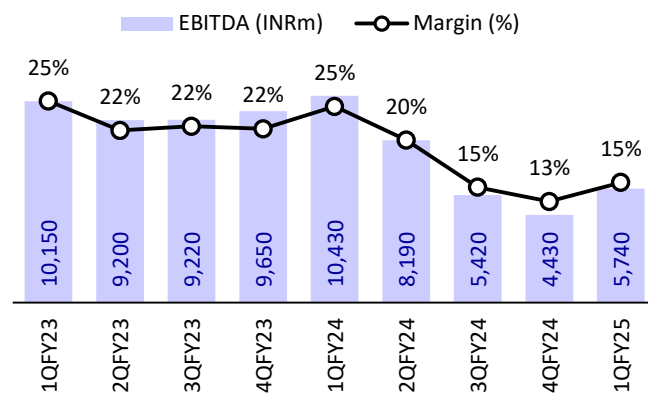
Key exhibits

Exhibit 1: Consolidated revenue trend



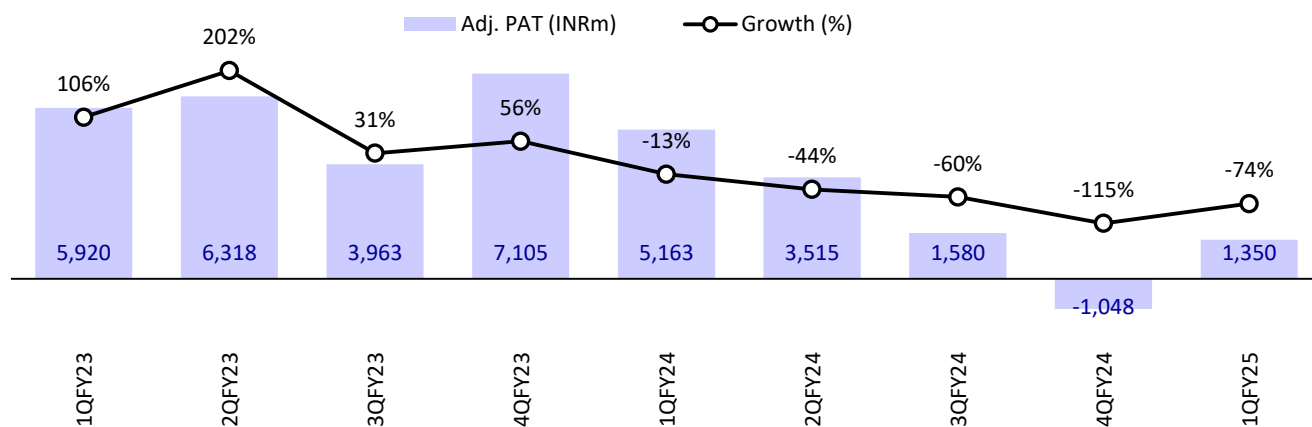
Sources: Company reports, MOFSL

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	1QFY24	4QFY24	1QFY25	%YoY	%QoQ
Revenue					
Basic Chemistry products	33,860	30,050	29,720	-12%	-1%
Specialty products	8,330	4,710	8,190	-2%	74%
Less: Inter-segment revenue	30	30	20		
Add: Unallocated	20	20	-		
Total revenue	42,180	34,750	37,890	-10%	9%

Exhibit 5: Consolidated segmental EBIT

INR m	1QFY24	4QFY24	1QFY25	%YoY	%QoQ
EBIT					
Basic Chemistry products	7,870	-6,820	2,980	-62%	-144%
Margin	23.2%	-22.7%	10.0%		
Specialty products	650	-390	600	-8%	-254%
Margin	7.8%	-8.3%	7.3%		
Total EBIT	8,520	-7,210	3,580	-58%	-150%
Less: Finance Cost	1,230	1,300	1,330		
Less: Unallocated (income)/expense	-110	-440	100		
PBT	7,400	-8,070	2,150	-71%	-127%

Sources: Company reports, MOFSL

Exhibit 6: Standalone operational performance trend

INR m	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	%YoY	%QoQ
Soda Ash sales volume ('000MT)	169	154	156	166	155	161	168	157	167	8%	6%
Sodium Bicarbonate sales volume ('000MT)	30	28	29	33	29	30	32	34	32	10%	-6%
Salt sales volume ('000MT)	330	303	333	340	312	338	324	371	326	4%	-12%
Realization-Basic Chemistry Products (INR/MT)	21,815	23,443	22,606	22,931	21,835	19,282	20,248	18,772	19,257	-12%	3%
Net sales	12,250	11,850	12,180	13,020	11,350	10,660	10,930	10,900	10,470	-8%	-4%
EBITDA	3,980	2,940	2,840	2,590	2,890	1,880	2,060	1,920	2,350	-19%	22%
EBITDA (%)	32.5%	24.8%	23.3%	19.9%	25.5%	17.6%	18.8%	17.6%	22.4%	-302	483
PBT	4,950	2,770	2,440	2,490	4,060	2,730	1,400	1,970	3,220	-21%	63%
PAT	3,810	2,430	1,900	2,130	3,280	1,595	1,150	2,170	2,560	-22%	18%

Sources: Company reports, MOFSL

Exhibit 7: Performance trend in the North American operations

INR m	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	%YoY	%QoQ
Soda Ash utilization (%)	92%	88%	96%	96%	84%	86%	83%	99%	93%	835	-598
Sales volume ('000MT)	568	561	610	608	535	545	529	626	588	10%	-6%
Realization (INR/MT)	19,701	21,016	21,689	27,138	27,738	24,330	23,819	20,879	21,786	-21%	4%
Realization (USD/MT)	255	263	264	330	337	295	286	252	261	-23%	4%
EBITDA/MT (USD)	63	47	65	91	108	71	33	28	40	-63%	43%
Net sales	11,190	11,790	13,230	16,500	14,840	13,260	12,600	13,070	12,810	-14%	-2%
EBITDA	2,760	2,110	3,260	4,570	4,760	3,190	1,450	1,470	1,980	-58%	35%
EBITDA (%)	24.7%	17.9%	24.6%	27.7%	32.1%	24.1%	11.5%	11.2%	15.5%	-1,662	421
PAT	1,410	820	1,600	2,900	2,920	1,390	110	150	390	-87%	160%

Sources: Company reports, MOFSL

Exhibit 8: Performance trend in the European operations

INR m	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	%YoY	%QoQ
Soda Ash volume ('000MT)	65	69	63	60	57	55	50	46	47	-18%	2%
Sodium Bicarbonate volume ('000MT)	28	30	24	23	24	24	23	23	25	4%	9%
Salt ('000MT)	88	84	75	75	72	77	83	75	76	6%	1%
Total sales volume ('000MT)	181	183	162	158	153	156	156	144	148	-3%	3%
Realization (INR/MT)	29,337	35,574	45,617	44,747	42,484	38,974	38,077	38,403	35,473	-17%	-8%
Realization (GBP/MT)	276	383	462	453	418	382	370	374	344	-18%	-8%
EBITDA/MT (GBP)	51	83	94	144	73	72	36	43	12	-84%	-72%
Net sales	5,310	6,510	7,390	7,070	6,500	6,080	5,940	5,530	5,250	-19%	-5%
EBITDA	980	1,420	1,500	2,250	1,130	1,140	570	630	180	-84%	-71%
EBITDA (%)	18.5%	21.8%	20.3%	31.8%	17.4%	18.8%	9.6%	11.4%	3.4%	-1,396	-796
PAT	490	990	870	2,000	400	330	-240	-780	-600	-250%	-23%

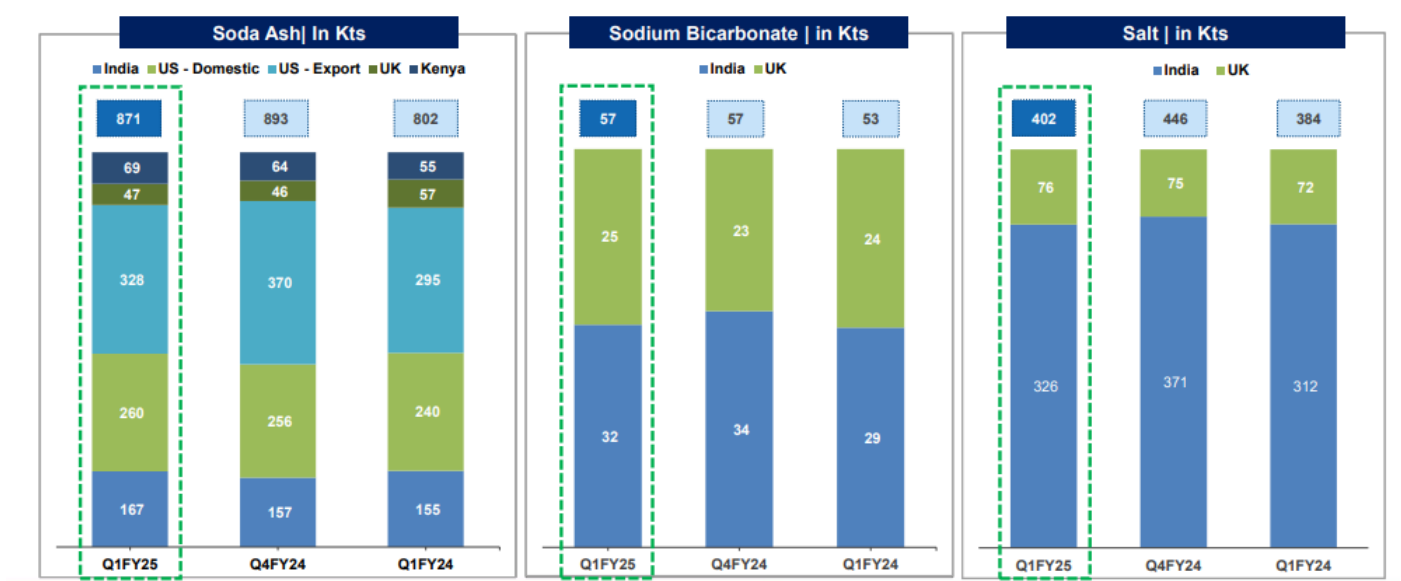
Sources: Company reports, MOFSL

Exhibit 9: Performance trend in African operations

INR m	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	%YoY	%QoQ
Soda ash utilization (%)	95%	83%	79%	72%	63%	70%	73%	73%	79%	1,600	571
Sales volume ('000MT)	83	73	69	63	55	61	64	64	69	25%	8%
Realization (INR/MT)	29,639	34,384	34,928	33,016	31,818	25,574	25,469	22,813	21,449	-33%	-6%
Realization (USD/MT)	383	431	425	401	387	310	306	275	257	-34%	-6%
EBITDA/MT (USD)	185	230	219	176	142	101	105	73	43	-69%	-41%
Net sales	2,460	2,510	2,410	2,080	1,750	1,560	1,630	1,460	1,480	-15%	1%
EBITDA	1,190	1,340	1,240	910	640	510	560	390	250	-61%	-36%
EBITDA (%)	48.4%	53.4%	51.5%	43.8%	36.6%	32.7%	34.4%	26.7%	16.9%	-1,968	-982
PAT	1,110	1,540	1,070	780	410	350	230	340	330	-20%	-3%

Sources: Company reports, MOFSL

Exhibit 10: Sales volume trends across geographies



Sources: Company, MOFSL

Exhibit 11: Strategic priorities of TTCH



Sources: Company, MOFSL

Exhibit 12: Expansion plan on track



Sources: Company reports, MOFSL



Highlights from the management commentary

Operating Performance

- Demand has been fairly stable across end-user industries. Detergent demand moderated in monsoon, but it generally picks up after monsoon.
- Chinese soda ash demand was high during Jan-May'24.
- Imports into India were high during Jan-May'24 but have moderated now due to high freight costs.
- The Chinese soda ash facility was operating below the optimal levels due to a quality issue.
- Export volumes in the US market increased YoY and prices grew sequentially.
- Rallis witnessed a mixed quarter as the domestic business performed well but pricing in international markets was down.
- Incremental EBITDA during the quarter was largely contributed by incremental pharmaceutical salt capacity (70KMT in UK) and incremental soda ash, salt and bicarb capacity in India.

Outlook

- Overall, soda ash demand is balanced and is expected to remain so for the next couple of quarters.
- The company is currently fully sold out in terms of global capacities.
- Market conditions for some customers have bottomed out and should improve going ahead.
- However, the company is watchful of demand from China, which has been fairly good so far.
- Inner Magnolia capacity is fully commissioned. The company is facing some quality issues (Inner Mangolia soda ash has higher iron component and solar glass requires soda ash with low iron content) and is working on the same.

- The company is expected to record ~INR4b of incremental EBITDA in FY26 from new capacities being added in FY25.

Geographical performance

- **India** inventory is lower than the previous quarter's level due to lower imports (23% vs. ~31% earlier) and better demand in some of the key regions. The region has not witnessed any disruption due to rain. The region is expected to witness INR2b incremental EBITDA from the new capacity next year.
- **US:** Domestic prices should remain same until Dec'24. Export prices will be in sync with the market. Export order margin is likely to increase due to better realization. The cost of energy has declined, resulting in lower power & fuel costs and better margins within the region in 1QFY25.
- **UK** witnessed a decline in volume during the quarter due to a drop in energy business. The company expects the region to deliver similar margins (like 1Q) throughout the year. The region witnessed a one-off expense of INR130m related to a fine paid during the quarter. The company expects a loss of ~INR300-450m per quarter for rest of the year. It expects INR2b of incremental EBITDA from the new capacity next year.
- **Kenya** pricing is in sync with the market. The company witnessed higher shipping and transportation costs in 1Q, which are expected to moderate going ahead.

Sodium Bicarbonate

- The company has commissioned new capacity of ~70KMT in 1QFY25 (Phase 1). Another 70KMT will come online by Oct'24.
- Incremental volume from the first phase is expected to be absorbed (optimally utilized) in FY25. Next 70KMT is expected to be optimally utilized by 1QFY26.
- Key driver for sodium bicarbonate: Feed for cattle, pharmaceuticals, desulphurization for coal plants

Debt

- Debt has increased because of higher working capital requirement due to stocking of inventory (INR8b).
- The company has stocked up some of the inventory before monsoon, as the availability is lower during monsoons.
- The company will deploy any surplus cash flow for debt repayment.

Capex

- The company will incur ~INR20b of capex over FY25-28E.
- It will increase soda ash capacity by ~20%, bicarb by ~30% and silica by 5x.
- It has already commissioned 230KMT/330KMT/70KMT of soda ash/salt/bicarb capacity as per the ongoing expansion plan.

Others

- The current global capacity is ~5.5mmtpa. Natural capacity will start to pressure synthetic capacities over the next 2-3 years (mostly pressure will be on China).

- INR1.7b was capitalized for lease of a warehouse as per accounting standards during the quarter.
- Demand for soda ash will continue to grow from the solar glass segment thanks to the strong focus of the Indian government on solar energy.
- The company has done mobile and laptop battery recycling for cobalt.
- TTCH is working on sodium-ion batteries, which are used more for stationery applications.

Valuation and view

- There are certain short-term challenges in the soda ash demand-supply dynamics owing to weak demand in Western Europe, which resulted in suppliers (majorly from Turkey) exporting soda ash beyond Europe (impacting global prices adversely). However, the situation is expected to balance out in the medium term, with the emergence of new applications, such as solar glass and lithium-ion batteries.
- Factoring in weak 1Q performance and pricing-led margins pressure across geographies, we cut our FY25/FY26 EBITDA estimates by 6%/3%. **Reiterate our Neutral rating with an SoTP-based TP of INR980.**

Exhibit 13: Valuation methodology

Business	Methodology	Metrics	FY26	Multiple (x)	EV/Mcap (INR m)
Commodity (INR m)					
Inorganic Chemical India (Soda Ash and others) (Including manufacture of Salt)	EV/EBITDA (x)	EBITDA	12,979	8	1,05,905
Tata Chemicals North America	EV/EBITDA (x)	EBITDA	10,060	8	80,481
Tata Chemicals Europe and Tata Chemicals Africa	EV/EBITDA (x)	EBITDA	4,699	6	28,197
Sub Total					2,14,582
Specialty and Consumer (INR m)					
Rallis India (Tata Chemicals holds ~55% stake) (INR m)	20% discount to Current Mcap	Attributable Mcap	64,933	0.8	28,571
Total EV (INR m)					2,43,153
Less: Debt (INR m)					35,330
Less: Minority Interest (INR m)					8,730
Less: Pension liability (INR m)					11,980
Add: Cash and liquid investment (INR m)					11,775
Add: Value of quoted investment (INR m)		Mcap	63,482	0.8	50,786
Target m-cap (INR m)					2,49,674
Outstanding share (m)					255
Target price (INR)					980

Source: MOFSL

Exhibit 14: Changes to our earnings estimates

Earnings Change (INR m)	Old		New		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	1,60,012	1,70,294	1,56,918	1,67,003	-2%	-2%
EBITDA	27,305	32,535	25,651	31,577	-6%	-3%
Adj. PAT	8,537	13,070	7,555	12,595	-11%	-4%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement

(INRb)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	103.4	103.6	102.0	126.2	167.9	154.2	156.9	167.0
Change (%)	0.7	0.2	-1.5	23.7	33.0	-8.1	1.8	6.4
Raw Materials	20.0	19.7	24.0	26.4	32.8	27.0	30.8	31.4
Employees Cost	13.2	13.8	14.0	15.4	16.9	18.6	20.0	20.5
Power, Oil & Fuel	14.8	14.5	14.4	21.1	29.9	26.7	23.4	26.4
Freight & forwarding charges	16.1	15.5	14.6	18.1	21.8	22.7	25.7	24.7
Other Expenses	21.5	20.6	20.1	22.2	28.2	30.7	31.3	32.4
Total Expenditure	85.6	84.1	87.0	103.2	129.7	125.7	131.3	135.4
% of Sales	82.8	81.2	85.3	81.7	77.2	81.5	83.7	81.1
EBITDA	17.8	19.5	15.0	23.0	38.2	28.5	25.7	31.6
Margin (%)	17.2	18.8	14.7	18.3	22.8	18.5	16.3	18.9
Depreciation	5.7	6.7	7.6	8.1	8.9	9.8	10.9	11.3
EBIT	12.1	12.8	7.4	15.0	29.3	18.7	14.7	20.2
Int. and Finance Charges	3.5	3.4	3.7	3.0	4.1	5.3	4.5	3.1
Other Income	4.1	3.1	2.3	2.6	2.2	2.9	2.2	2.3
PBT bef. EO Exp.	12.7	12.5	6.1	14.5	27.4	16.2	12.4	19.5
EO Items	0.7	0.0	0.0	-0.3	-0.2	-8.5	0.0	0.0
PBT after EO Exp.	13.4	12.5	6.1	14.3	27.2	7.7	12.4	19.5
Total Tax	2.7	2.2	2.0	2.7	2.9	3.8	3.5	4.8
Tax Rate (%)	20.5	17.5	32.5	18.7	10.6	49.4	27.8	24.5
MI & Profit/Loss of Asso. Cos.	1.3	2.3	1.5	-0.8	1.2	1.1	1.4	2.1
Reported PAT - Continuing Ops.	9.3	8.1	2.6	12.4	23.2	2.8	7.6	12.6
Adjusted PAT - Continuing Ops.	8.6	8.1	2.6	12.6	23.4	11.3	7.6	12.6
Change (%)	-29.7	-6.4	-68.2	392.9	84.8	-51.4	-33.4	66.7
Margin (%)	8.3	7.8	2.5	10.0	13.9	7.4	4.8	7.5
Reported PAT - Discontinuing Ops.	2.2	62.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported PAT	11.6	70.1	2.6	12.4	23.2	2.8	7.6	12.6
Adjusted PAT	10.9	70.1	2.6	12.7	23.4	11.3	7.6	12.6

Consolidated - Balance Sheet

(INRb)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6
Total Reserves	120.9	126.4	140.4	180.0	194.7	219.9	223.6	232.1
Net Worth	123.4	129.0	142.9	182.5	197.2	222.4	226.1	234.7
Minority Interest	29.1	7.6	8.5	9.0	9.2	8.7	8.7	8.7
Total Loans	61.4	77.0	69.3	70.3	63.0	55.6	46.8	35.3
Lease liability	0.0	1.9	1.9	1.4	1.4	3.9	3.9	3.9
Deferred Tax Liabilities	13.0	14.4	15.7	20.4	19.4	23.8	23.8	23.8
Capital Employed	227.0	229.9	238.4	283.5	290.1	314.4	309.4	306.4
Gross Block	138.1	161.5	168.2	183.5	201.6	218.7	241.9	251.0
Less: Accum. Deprn.	21.5	28.1	35.7	43.8	52.7	62.5	73.4	84.8
Net Fixed Assets	116.6	133.3	132.4	139.7	148.9	156.2	168.4	166.2
Goodwill on Consolidation	18.6	19.5	19.2	19.7	21.6	21.9	21.9	21.9
Capital WIP	7.7	8.4	10.9	16.7	24.1	22.2	7.0	4.9
Current Investments	22.5	16.0	15.6	13.3	12.7	6.2	6.2	6.2
Total Investments	56.4	43.1	58.7	77.4	75.4	98.2	98.2	98.2
Curr. Assets, Loans&Adv.	69.6	72.6	62.1	84.9	80.9	69.1	69.7	73.5
Inventory	17.3	18.7	16.9	22.9	25.3	25.2	24.5	24.9
Account Receivables	14.5	15.8	14.0	19.3	26.3	19.0	21.5	22.9
Cash and Bank Balance	19.5	20.8	14.1	13.1	6.7	6.5	4.8	5.6
Loans and Advances	18.3	17.3	17.2	29.6	22.7	18.4	18.8	20.0
Curr. Liability & Prov.	42.1	47.0	45.0	54.9	60.7	53.1	55.9	58.3
Account Payables	14.8	16.3	16.8	24.4	26.0	23.7	24.5	24.9
Other Current Liabilities	9.5	11.4	8.5	13.9	16.7	12.5	14.1	15.0
Provisions	17.8	19.3	19.6	16.5	18.1	17.0	17.3	18.4
Net Current Assets	27.6	25.6	17.1	30.1	20.2	15.9	13.8	15.1
Misc Expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appl. of Funds	227.0	229.9	238.4	283.5	290.1	314.4	309.4	306.4

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)								
EPS	34.5	31.7	10.1	49.3	91.5	36.1	29.6	49.4
Cash EPS	56.8	57.8	39.9	81.0	126.5	74.6	72.5	93.9
BV/Share	484.3	506.1	560.8	716.3	773.9	872.8	887.5	920.9
DPS	12.5	11.0	10.0	12.5	17.5	15.0	15.0	16.0
Payout (%)	42.0	42.7	122.3	31.7	19.2	135.5	50.6	32.4
Valuation (x)								
P/E	30.5	33.2	104.5	21.3	11.5	29.1	35.5	21.3
Cash P/E	18.5	18.2	26.4	13.0	8.3	14.1	14.5	11.2
P/BV	2.2	2.1	1.9	1.5	1.4	1.2	1.2	1.1
EV/Sales	3.1	3.0	3.1	2.5	1.9	2.1	2.0	1.8
EV/EBITDA	17.8	16.2	21.1	13.9	8.4	11.2	12.2	9.5
Dividend Yield (%)	1.2	1.0	1.0	1.2	1.7	1.4	1.4	1.5
FCF per share	19.7	-16.3	45.0	-29.7	9.5	37.7	61.7	77.4
Return Ratios (%)								
RoE	7.5	6.4	1.9	7.7	12.3	4.4	3.4	5.5
RoCE	7.2	6.7	3.1	6.1	11.0	4.0	4.4	6.3
Core RoCE	11.2	10.5	5.1	10.2	17.7	6.7	7.7	11.0
RoIC	6.9	7.0	3.2	7.4	14.5	5.1	5.5	7.7
Working Capital Ratios								
Fixed Asset Turnover (x)	0.7	0.6	0.6	0.7	0.8	0.7	0.6	0.7
Asset Turnover (x)	0.5	0.5	0.4	0.4	0.6	0.5	0.5	0.5
Inventory (Days)	315	347	257	317	282	341	290	290
Debtor (Days)	51	56	50	56	57	45	50	50
Creditor (Days)	269	302	256	338	289	320	290	290
Leverage Ratio (x)								
Current Ratio	1.7	1.5	1.4	1.5	1.3	1.3	1.2	1.3
Interest Cover Ratio	3.4	3.8	2.0	4.9	7.2	3.5	3.3	6.6
Net Debt/Equity	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1
	97	100						

Consolidated - Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	(INRb) FY25E	FY26E
OP/(Loss) before Tax	17.3	12.5	6.1	14.5	27.4	16.2	12.4	19.5
Depreciation	5.7	6.7	7.6	8.1	8.9	9.8	10.9	11.3
Interest & Finance Charges	3.7	0.3	1.3	0.5	1.9	2.4	2.3	0.7
Direct Taxes Paid	-4.8	-2.2	-2.0	-2.7	-4.1	-3.8	-3.5	-4.8
(Inc)/Dec in WC	-2.1	0.5	7.3	-6.1	-6.8	8.4	0.5	-0.6
CF from Operations	19.7	17.8	20.4	14.3	27.4	33.1	22.7	26.2
Others	-3.9	0.0	0.0	-0.3	2.4	-7.9	1.0	0.5
CF from Operating incl EO	15.8	17.8	20.4	14.1	29.7	25.2	23.7	26.7
(Inc)/Dec in FA	-10.8	-22.0	-8.9	-21.6	-27.3	-15.6	-8.0	-7.0
Free Cash Flow	5.0	-4.2	11.5	-7.6	2.4	9.6	15.7	19.7
(Pur)/Sale of Investments	-19.7	13.4	-15.6	-18.7	2.0	-22.8	0.0	0.0
Others	10.9	-15.1	13.2	31.9	11.1	32.3	2.2	2.3
CF from Investments	-19.6	-23.7	-11.3	-8.4	-14.3	-6.1	-5.8	-4.7
Issue of Shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inc/(Dec) in Debt	-5.7	12.6	-7.7	0.9	-7.3	-7.3	-8.8	-11.5
Interest Paid	-2.9	-3.4	-3.7	-3.0	-4.1	-5.3	-4.5	-3.1
Dividend Paid	-6.7	-3.4	-3.1	-3.9	-4.5	-3.8	-3.8	-4.1
Others	-6.2	1.4	-1.3	-0.7	-6.1	-2.8	-2.4	-2.6
CF from Fin. Activity	-21.5	7.2	-15.8	-6.7	-21.9	-19.3	-19.5	-21.3
Inc/Dec of Cash	-25.3	1.3	-6.7	-1.0	-6.5	-0.2	-1.6	0.8
Opening Balance	44.8	19.5	20.8	14.1	13.1	6.7	6.4	4.8
Closing Balance	19.5	20.8	14.1	13.1	6.7	6.4	4.8	5.6

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act of Singapore. Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp@grievances@motilaloswal.com.