

Tata Chemicals

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,074 TP: INR1,070 Neutral

Sequential recovery improves 2H prospects

Operating performance in line with expectations

- TTCH's 2QFY25 consolidated EBITDA declined 25% YoY, due to lower realizations YoY, higher freight costs and unfavorable operating leverage across geographies, while sequentially it improved by 7.7% on recovery across geographies, except India.
- As per the management, soda ash prices have bottomed out (also last price cut was in Nov'23 for domestic market by TTCH) and can improve going ahead, with stable demand-supply scenario globally.
- We maintain our FY25/FY26 EBITDA estimates as we anticipate a steady recovery in the soda ash demand-supply scenario globally. **Reiterate our Neutral rating with an SoTP-based TP of INR1,070.**

Margin under pressure YoY across geographies

- TTCH reported total revenue of INR40b (est. INR40.2b) in 2QFY25, flat YoY, due to lower realization YoY across regions. EBITDA margin contracted by 500bp YoY to 15.5% (est. 16%). EBITDA stood at INR6.2b (est. INR6.45b), down 25% YoY. Adj. PAT was down 45% YoY at INR1.9b (est. INR2.1b).
- Basic Chemistry Products revenue declined 3% YoY to INR30.4b, EBIT fell 51% YoY to INR2.6b, and EBIT margins stood at 8.4% (down 840bp YoY).
- Specialty Products business grew 10% YoY to INR9.6b, EBIT grew 15% YoY to INR1.2b, and EBIT margins stood at 12.7% (up 60bp YoY).
- India standalone/TCEHL revenue declined 5%/13% YoY to INR10.1b/INR5.3b, while TCNA/TCAHL/Rallis revenue grew 5%/8%/11% YoY to INR13.9b/INR1.7b/INR9.3b.
- EBITDA declined across the board, with India standalone/TCNA/TCEHL/TCAHL declining by 23%/30%/77%/16% YoY to INR1.4b/INR2.2b/INR260m/INR430m. However, Rallis EBITDA grew 23% YoY to INR1.6b.
- EBITDA/mt of TCNA/TCEHL/TCAHL declined by 41%/76%/34% YoY to ~USD42/~GBP17/~USD67. EBITDA margin for India Standalone/Rallis contracted/expanded 3.4pp/1.7pp YoY to 14.3%/17.9%.
- Gross/net debt stood at ~INR64.8b/INR51.9b as of Sep'24 (vs. ~INR55.6b/INR41.6b as of Mar'24).
- For 1HFY25, revenue/EBITDA/adj. PAT declined 5%/36%/62% YoY to INR77.8b/INR11.9b/INR3.3b. Based on our estimates, the implied revenue/EBITDA growth for 2HFY25 is 9%/33% YoY. The higher EBITDA growth estimate in 2HFY25 is due to a lower base and an expected recovery across geographies.

Highlights from the management commentary

- **Demand-supply scenario:** The company is not witnessing any major moderation in overall demand for soda ash in Oct'24. The softness in demand from container and lithium batteries is offset by healthy demand from solar. The management expects prices likely to have bottomed out.
- **Outlook:** TTCH expects 2H to be much steady in operations vs. an erratic and volatile 1H. The management is bullish on demand in Indian and the US.

Bloomberg	TTCH IN
Equity Shares (m)	255
M.Cap.(INRb)/(USDb)	273.6 / 3.3
52-Week Range (INR)	1350 / 933
1, 6, 12 Rel. Per (%)	7/-15/-22
12M Avg Val (INR M)	2110

Financials & Valuations (INR b)

Y/E Mar	2025E	2026E	2027E
Sales	156.5	166.1	178.0
EBITDA	25.1	31.5	35.1
PAT	7.8	12.5	15.7
EBITDA (%)	16.0	19.0	19.7
EPS (INR)	30.7	49.0	61.6
EPS Gr. (%)	(14.9)	59.4	25.6
BV/Sh. (INR)	889	922	967

Ratios

Net D/E	0.2	0.1	0.0
RoE (%)	3.5	5.4	6.5
RoCE (%)	4.3	6.1	7.1

Valuations

P/E (x)	34.9	21.9	17.4
EV/EBITDA (x)	12.9	9.7	8.3
Div Yield (%)	1.4	1.5	1.5
FCF Yield (%)	4.2	8.7	8.5

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	38.0	38.0	38.0
DII	20.4	20.0	20.9
FII	13.6	13.8	14.2
Others	28.1	28.3	26.9

- **India standalone business:** Margins were hampered by unprecedented heavy rains during the quarter, which impacted inventories and plant & equipment at Mithapur. The total cost impact was ~INR400-440m with a production loss of ~30KMT/40KMT of soda ash/salt.

Valuation and view

- Soda ash industry has witnessed a challenging 1HFY25, led by unfavorable demand-supply dynamics. However, with soda ash prices bottoming out across regions in 1H, we expect a steady recovery in 2H, led by healthy demand from solar glass and stable demand for other end-user industries.
- We expect 2HFY25 to witness further recovery in margins, led by healthy volume across geographies and favorable operating leverage. **We reiterate our Neutral rating with an SoTP-based TP of INR1,070.**

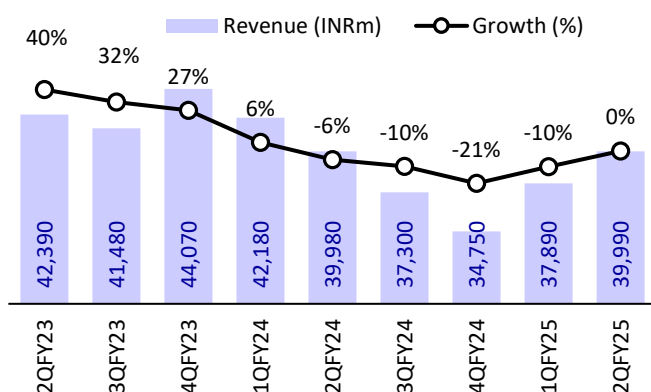
Consolidated - Quarterly Earning Model

Consolidated - Quarterly Earning Model											(INRm)	
Y/E March	FY24				FY25E				FY24	FY25E	FY25E 2Q	Var. %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	42,180	39,980	37,300	34,750	37,890	39,990	39,515	39,081	1,54,210	1,56,475	40,243	-1
YoY Change (%)	5.6	-5.7	-10.1	-21.1	-10.2	0.0	5.9	12.5	-8.1	1.5	0.7	
Total Expenditure	31,750	31,790	31,880	30,320	32,150	33,810	33,144	32,313	1,25,740	1,31,418	33,793	
EBITDA	10,430	8,190	5,420	4,430	5,740	6,180	6,371	6,767	28,470	25,058	6,450	-4
Margins (%)	24.7	20.5	14.5	12.7	15.1	15.5	16.1	17.3	18.5	16.0	16.0	
Depreciation	2,290	2,340	2,460	2,710	2,730	2,770	2,730	2,735	9,800	10,965	2,730	
Interest	1,230	1,450	1,320	1,300	1,330	1,450	1,100	911	5,300	4,791	1,150	
Other Income	490	850	380	1,140	470	1,080	418	600	2,860	2,568	935	
PBT before EO expense	7,400	5,250	2,020	1,560	2,150	3,040	2,959	3,721	16,230	11,870	3,505	
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	3,040	2,959	3,721	7,710	11,870	3,505	
Tax	1,710	1,200	680	220	940	810	725	912	3,810	3,387	859	
Rate (%)	22.8	19.1	33.7	-2.7	43.7	26.6	24.5	24.5	49.4	28.5	24.5	
MI & Profit/Loss of Asso. Cos.	550	790	-240	-20	-140	290	240	260	1,080	650	509	
Reported PAT	5,230	4,280	1,580	-8,270	1,350	1,940	1,994	2,550	2,820	7,833	2,137	
Adj PAT	5,163	3,515	1,580	-1,048	1,350	1,940	1,994	2,550	9,210	7,833	2,137	-9
YoY Change (%)	-12.8	-44.4	-60.1	-114.7	-73.8	-44.8	26.2	-343.4	-60.5	-14.9	-39.2	
Margins (%)	12.2	8.8	4.2	-3.0	3.6	4.9	5.0	6.5	6.0	5.0	5.3	

Y/E March	FY24				FY25E				FY24	FY25E
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales Volume (000'MT)										
North America	535	545	529	626	588	632	555	639	2,235	2,288
Europe	153	156	156	144	148	144	156	161	609	604
Africa	55	61	64	64	69	77	75	72	244	258
EBITDA/MT										
North America (USD)	108.2	70.9	32.9	28.3	40.4	42.1	45.0	50.0	58.9	42.6
Europe (GBP)	72.7	71.6	35.5	42.6	11.8	17.4	23.0	25.0	55.8	40.7
Africa (USD)	141.6	101.2	105.2	73.4	43.4	66.6	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	21.4	20.0	16.0	17.5	19.6
Staff Cost (% of sales)	10.9	11.4	12.6	13.8	12.6	12.5	12.8	13.4	12.1	12.8
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	17.2	17.0	17.0	14.7	17.2
Other Cost (% of sales)	18.9	18.3	20.4	22.5	19.2	18.6	18.6	21.3	19.9	19.4
Gross Margins (%)	83.2	79.5	81.3	86.3	78.9	78.6	80.0	84.0	82.5	80.4
EBITDA Margins (%)	24.7	20.5	14.5	12.7	15.1	15.5	16.1	17.3	18.5	16.0
EBIT Margins (%)	19.3	14.6	7.9	4.9	7.9	8.5	9.2	10.3	12.1	9.0

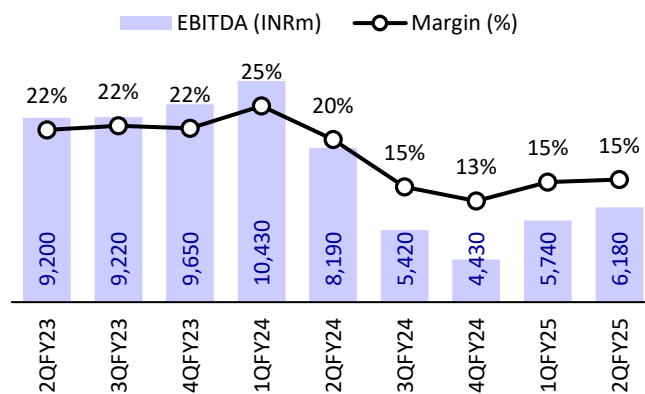
Key exhibits

Exhibit 1: Consolidated revenue trend



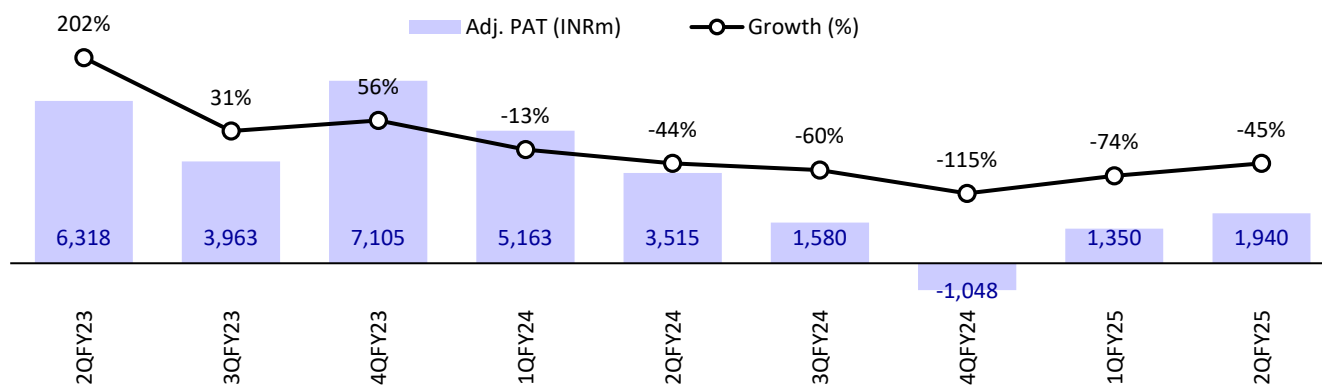
Sources: Company reports, MOFSL

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	2QFY24	1QFY25	2QFY25	%YoY	%QoQ
Revenue					
Basic Chemistry products	31,210	29,720	30,400	-3%	2%
Specialty products	8,780	8,190	9,620	10%	17%
Less: Inter-segment revenue	40	20	30		
Add: Unallocated	30	-	-		
Total revenue	39,980	37,890	39,990	0%	6%

Exhibit 5: Consolidated segmental EBIT

INR m	2QFY24	1QFY25	2QFY25	%YoY	%QoQ
EBIT					
Basic Chemistry products	5,240	2,980	2,560	-51%	-14%
Margin	16.8%	10.0%	8.4%		
Specialty products	1,060	600	1,220	15%	103%
Margin	12.1%	7.3%	12.7%		
Total EBIT	6,300	3,580	3,780	-40%	6%
Less: Finance Cost	1,450	1,330	1,450		
Less: Unallocated (income)/expense	-1,420	100	-710		
PBT	6,270	2,150	3,040	-52%	41%

Sources: Company reports, MOFSL

Exhibit 6: Standalone operational performance trend

INR m	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	%YoY	%QoQ
Soda Ash sales volume ('000MT)	154	156	166	155	161	168	157	167	159	-1%	-5%
Sodium Bicarbonate sales volume ('000MT)	28	29	33	29	30	32	34	32	33	10%	3%
Salt sales volume ('000MT)	303	333	340	312	338	324	371	326	322	-5%	-1%
Realization-Basic Chemistry Products (INR/MT)	23,443	22,606	22,931	21,835	19,282	20,248	18,772	19,257	18,969	-2%	-1%
Net sales	11,850	12,180	13,020	11,350	10,660	10,930	10,900	10,470	10,090	-5%	-4%
EBITDA	2,940	2,840	2,590	2,890	1,880	2,060	1,920	2,350	1,440	-23%	-39%
EBITDA (%)	24.8%	23.3%	19.9%	25.5%	17.6%	18.8%	17.6%	22.4%	14.3%	-336	-817
PBT	2,770	2,440	2,490	4,060	2,730	1,400	1,970	3,220	1,170	-57%	-64%
PAT	2,430	1,900	2,130	3,280	1,595	1,150	2,170	2,560	990	-38%	-61%

Sources: Company reports, MOFSL

Exhibit 7: Performance trend in the North American operations

INR m	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	%YoY	%QoQ
Soda Ash utilization (%)	88%	96%	96%	84%	86%	83%	99%	93%	100%	1,370	693
Sales volume ('000MT)	561	610	608	535	545	529	626	588	632	16%	7%
Realization (INR/MT)	21,016	21,689	27,138	27,738	24,330	23,819	20,879	21,786	22,009	-10%	1%
Realization (USD/MT)	263	264	330	337	295	286	252	261	263	-11%	1%
EBITDA/MT (USD)	47	65	91	108	71	33	28	40	42	-41%	4%
Net sales	11,790	13,230	16,500	14,840	13,260	12,600	13,070	12,810	13,910	5%	9%
EBITDA	2,110	3,260	4,570	4,760	3,190	1,450	1,470	1,980	2,230	-30%	13%
EBITDA (%)	17.9%	24.6%	27.7%	32.1%	24.1%	11.5%	11.2%	15.5%	16.0%	-803	57
PAT	820	1,600	2,900	2,920	1,390	110	150	390	650	-53%	67%

Sources: Company reports, MOFSL

Exhibit 8: Performance trend in the European operations

INR m	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	%YoY	%QoQ
Soda Ash volume ('000MT)	69	63	60	57	55	50	46	47	46	-16%	-2%
Sodium Bicarbonate volume ('000MT)	30	24	23	24	24	23	23	25	23	-4%	-8%
Salt ('000MT)	84	75	75	72	77	83	75	76	75	-3%	-1%
Total sales volume ('000MT)	183	162	158	153	156	156	144	148	144	-8%	-3%
Realization (INR/MT)	35,574	45,617	44,747	42,484	38,974	38,077	38,403	35,473	36,875	-5%	4%
Realization (GBP/MT)	383	462	453	418	382	370	374	344	356	-7%	3%
EBITDA/MT (GBP)	83	94	144	73	72	36	43	12	17	-76%	48%
Net sales	6,510	7,390	7,070	6,500	6,080	5,940	5,530	5,250	5,310	-13%	1%
EBITDA	1,420	1,500	2,250	1,130	1,140	570	630	180	260	-77%	44%
EBITDA (%)	21.8%	20.3%	31.8%	17.4%	18.8%	9.6%	11.4%	3.4%	4.9%	-1,385	147
PAT	990	870	2,000	400	330	-240	-780	-600	-590	NA	-2%

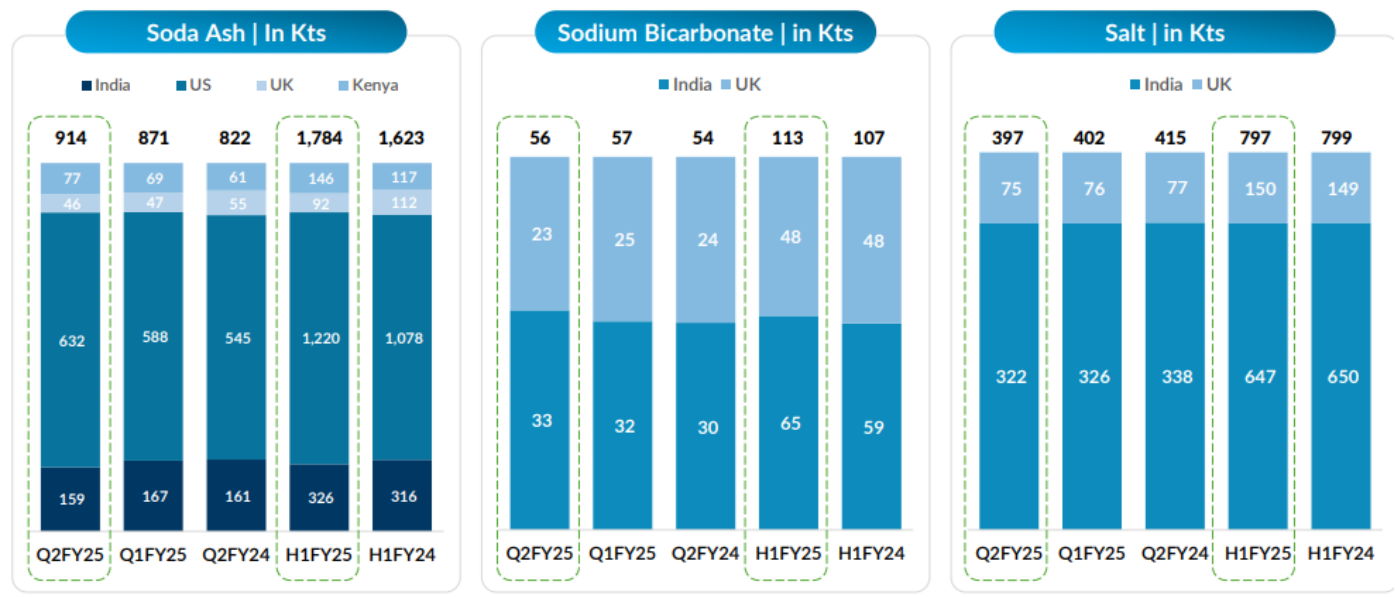
Sources: Company reports, MOFSL

Exhibit 9: Performance trend in African operations

INR m	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	%YoY	%QoQ
Soda ash utilization (%)	83%	79%	72%	63%	70%	73%	73%	79%	88%	1,829	914
Sales volume ('000MT)	73	69	63	55	61	64	64	69	77	26%	12%
Realization (INR/MT)	34,384	34,928	33,016	31,818	25,574	25,469	22,813	21,449	21,818	-15%	2%
Realization (USD/MT)	431	425	401	387	310	306	275	257	260	-16%	1%
EBITDA/MT (USD)	230	219	176	142	101	105	73	43	67	-34%	53%
Net sales	2,510	2,410	2,080	1,750	1,560	1,630	1,460	1,480	1,680	8%	14%
EBITDA	1,340	1,240	910	640	510	560	390	250	430	-16%	72%
EBITDA (%)	53.4%	51.5%	43.8%	36.6%	32.7%	34.4%	26.7%	16.9%	25.6%	-710	870
PAT	1,540	1,070	780	410	350	230	340	330	400	14%	21%

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

Expansion - Completed		Expansion - Ongoing	
Products	Capacity (Lacs MT) Expansion	Products	Capacity (Lacs MT) Expansion
Soda Ash (India)	2.3	Soda Ash	3.2
Bi-carb (India)	1.4	Silica	0.6
Salt (India)	3.3	Salt	2.3
Pharma Salt (UK) [#]	0.7		
~ ₹ 1,200 Cr Revenue		~ ₹ 400 Cr EBITDA	
		~ ₹ 2,300 Cr * Project Capex for FY 25 - FY 28	

Sources: Company reports, MOFSL



Highlights from the management commentary

Demand-supply scenario

- The company is not witnessing any major moderation in overall demand for soda ash in Oct'24.
- Container and Lithium batteries have witnessed some softness in demand, which has been offset by healthy demand in solar.
- The management expects prices likely to have bottomed out.
- The overall demand scenario remains balanced in India and the Middle East.
- Demand for flat glass was weak in America and most of the other regions.
- Demand in China was strong as of Sep'24; however, there was some moderation in Oct'24 as higher demand was met largely through imports into China from the US.
- Moderation in exports to Latin America was observed due to relatively lower demand in that region.

Outlook

- TTCH expects 2HFY25 to be much steady in operations vs. an erratic and volatile 1HFY25.
- The company is bullish on demand scenario in India as well as US market
- Majority of the debt repayment will happen in FY26/FY27

India

- Demand was fairly stable across all end-use industries, with flat, container and solar glass witnessing robust demand.
- India reported lower EBITDA due to an unstable plant, weather impact, lower volume and some higher other expenses.
- During Sep'24, the company commissioned all the capacities, and the operation has stabilized now, with contributions expected in 3QFY25.

- TTCH expects improvement of ~INR1500/mt in EBIDTA once the new capacities stabilize.
- During 2QFY25, unprecedented heavy rains impacted inventories and plant & equipment at Mithapur. Based on a preliminary assessment, the company has recorded an expense of INR140m related to the damage and consequential losses, which are subject to insurance claim.
- The total cost impact due to this was ~INR400-440m in this quarter and production loss of ~30KMT/40KMT of soda ash/salt.
- New capacity addition in India: 320KTPA for soda ash, 60KMT for silica and 230KTPA for salt by FY28. Total capex is expected to be INR23b over FY25-28.

North America

- The company postponed the plant shutdown from Sep'24 to Oct'24 due to ongoing operational issues in India.
- TTCH plans to add a capacity of 400KTPA of soda ash and expects to get clearances by Mar'25. Currently, it is building logistical capabilities. The management expects to complete this plant within the next 30-36 months.

Kenya

- During the quarter, the company has witnessed higher volumes, along with higher prices.
- It plans to put up incremental capacity of ~300KTPA, which will be commercialized within the next 30-36 months.

Europe

- The European markets experienced lower prices, with volumes increasing marginally during the quarter.
- Higher power costs also impacted the margins during the quarter.
- Pharma salt plant was commissioned during the quarter. It is undergoing its initial trials.

Silica and Nutraceuticals

- Currently, the company has capacity of only 10KMT and expects to get formal approval for capacity expansion by 60KMT (~3 modules of 20KMT each) in 3QFY25. This will be a brownfield expansion and hence fixed cost will be lower. After this expansion, potential revenue will be ~INR5b.
- The company can further increase to 100-150KTPA, with a potential revenue size of INR20b.

Valuation and view

- Soda ash industry has witnessed a challenging 1HFY25, led by unfavorable demand-supply dynamics. However, with soda ash prices bottoming out across regions in 1H, we expect a steady recovery in 2H, led by healthy demand from solar glass and stable demand for other end-user industries.
- We expect 2HFY25 to witness further recovery in margins led by healthy volume across geographies and favorable operating leverage. **We reiterate our Neutral rating with an SoTP-based TP of INR1,070.**

Exhibit 13: Valuation methodology

Business	Methodology	Metrics	Sep'26	Multiple (x)	EV/ MCAP (INR mn)
Commodity (INR m)					
Inorganic Chemical India (Soda Ash and others) (Including manufacture of Salt)	EV/EBITDA (x)	EBITDA	13,266	8	1,10,107
Tata Chemicals North America	EV/EBITDA (x)	EBITDA	10,575	8	87,775
Tata Chemicals Europe and Tata Chemicals Africa	EV/EBITDA (x)	EBITDA	5,340	6	32,040
Sub Total					2,29,922
Specialty and Consumer (INR m)					
Rallis India (Tata Chemicals holds ~50% stake) (INR m)	20% discount to Current Mcap	Attributable Mcap	61,851	0.8	27,214
Total EV (INR m)					2,57,137
Less: Debt (INR m)					33,082
Less: Minority Interest (INR m)					8,730
Less: Pension liability (INR m)					11,980
Add: Cash and liquid investment (INR m)					17,186
Add: Value of quoted investment (INR m)		Mcap	65,078	0.8	52,062
Target m-cap (INR m)					2,72,593
Outstanding share (m)					255
Target price (INR)					1,070

Source: MOFSL

Exhibit 14: Changes to our earnings estimates

Earnings Change (INR m)	Old		New		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	1,56,501	1,66,473	1,56,475	1,66,105	0%	0%
EBITDA	25,597	31,502	25,058	31,501	-2%	0%
Adj. PAT	7,704	12,535	7,833	12,490	2%	0%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement

(INRb)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	103.4	103.6	102.0	126.2	167.9	154.2	156.5	166.1	178.0
Change (%)	0.7	0.2	-1.5	23.7	33.0	-8.1	1.5	6.2	7.1
Raw Materials	20.0	19.7	24.0	26.4	32.8	27.0	30.7	31.2	33.5
Employees Cost	13.2	13.8	14.0	15.4	16.9	18.6	20.1	20.4	21.9
Power, Oil & Fuel	14.8	14.5	14.4	21.1	29.9	26.7	23.4	26.2	28.1
Freight & forwarding charges	16.1	15.5	14.6	18.1	21.8	22.7	26.9	24.6	26.3
Other Expenses	21.5	20.6	20.1	22.2	28.2	30.7	30.4	32.1	33.1
Total Expenditure	85.6	84.1	87.0	103.2	129.7	125.7	131.4	134.6	142.9
% of Sales	82.8	81.2	85.3	81.7	77.2	81.5	84.0	81.0	80.3
EBITDA	17.8	19.5	15.0	23.0	38.2	28.5	25.1	31.5	35.1
Margin (%)	17.2	18.8	14.7	18.3	22.8	18.5	16.0	19.0	19.7
Depreciation	5.7	6.7	7.6	8.1	8.9	9.8	11.0	11.3	11.7
EBIT	12.1	12.8	7.4	15.0	29.3	18.7	14.1	20.2	23.4
Int. and Finance Charges	3.5	3.4	3.7	3.0	4.1	5.3	4.8	3.6	2.3
Other Income	4.1	3.1	2.3	2.6	2.2	2.9	2.6	2.3	2.5
PBT bef. EO Exp.	12.7	12.5	6.1	14.5	27.4	16.2	11.9	18.9	23.6
EO Items	0.7	0.0	0.0	-0.3	-0.2	-8.5	0.0	0.0	0.0
PBT after EO Exp.	13.4	12.5	6.1	14.3	27.2	7.7	11.9	18.9	23.6
Total Tax	2.7	2.2	2.0	2.7	2.9	3.8	3.4	4.6	5.8
Tax Rate (%)	20.5	17.5	32.5	18.7	10.6	49.4	28.5	24.5	24.5
MI & Profit/Loss of Asso. Cos.	1.3	2.3	1.5	-0.8	1.2	1.1	0.7	1.8	2.1
Reported PAT - Continuing Ops.	9.3	8.1	2.6	12.4	23.2	2.8	7.8	12.5	15.7
Adjusted PAT - Continuing Ops.	8.6	8.1	2.6	12.6	23.4	11.3	7.8	12.5	15.7
Change (%)	-29.7	-6.4	-68.2	392.9	84.8	-51.4	-30.9	59.4	25.6
Margin (%)	8.3	7.8	2.5	10.0	13.9	7.4	5.0	7.5	8.8
Reported PAT - Discontinuing Ops.	2.2	62.0	0.0	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	7.8	12.5	15.7
Adjusted PAT	10.9	70.1	2.6	12.7	23.4	11.3	7.8	12.5	15.7

Consolidated - Balance Sheet

(INRb)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6
Total Reserves	120.9	126.4	140.4	180.0	194.7	219.9	223.9	232.3	243.9
Net Worth	123.4	129.0	142.9	182.5	197.2	222.4	226.4	234.8	246.4
Minority Interest	29.1	7.6	8.5	9.0	9.2	8.7	8.7	8.7	8.7
Total Loans	61.4	77.0	69.3	70.3	63.0	55.6	54.9	40.3	25.9
Lease liability	0.0	1.9	1.9	1.4	1.4	3.9	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	23.8
Capital Employed	227.0	229.9	238.4	283.5	290.1	314.4	317.7	311.5	308.7
Gross Block	138.1	161.5	168.2	183.5	201.6	218.7	241.9	251.0	258.2
Less: Accum. Deprn.	21.5	28.1	35.7	43.8	52.7	62.5	73.5	84.8	96.5
Net Fixed Assets	116.6	133.3	132.4	139.7	148.9	156.2	168.4	166.2	161.7
Goodwill on Consolidation	18.6	19.5	19.2	19.7	21.6	21.9	21.9	21.9	21.9
Capital WIP	7.7	8.4	10.9	16.7	24.1	22.2	7.0	4.9	4.7
Current Investments	22.5	16.0	15.6	13.3	12.7	6.2	6.2	6.2	6.2
Total Investments	56.4	43.1	58.7	77.4	75.4	98.2	98.2	98.2	98.2
Curr. Assets, Loans&Adv.	69.6	72.6	62.1	84.9	80.9	69.1	77.2	78.3	84.4
Inventory	17.3	18.7	16.9	22.9	25.3	25.2	26.9	25.7	26.6
Account Receivables	14.5	15.8	14.0	19.3	26.3	19.0	22.7	22.8	24.4
Cash and Bank Balance	19.5	20.8	14.1	13.1	6.7	6.5	8.8	10.0	12.1
Loans and Advances	18.3	17.3	17.2	29.6	22.7	18.4	18.8	19.9	21.4
Curr. Liability & Prov.	42.1	47.0	45.0	54.9	60.7	53.1	55.0	58.0	62.2
Account Payables	14.8	16.3	16.8	24.4	26.0	23.7	25.2	24.8	26.6
Other Current Liabilities	9.5	11.4	8.5	13.9	16.7	12.5	12.5	14.9	16.0
Provisions	17.8	19.3	19.6	16.5	18.1	17.0	17.2	18.3	19.6
Net Current Assets	27.6	25.6	17.1	30.1	20.2	15.9	22.2	20.3	22.2
Misc Expenditure	0.0	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	317.7	311.5	308.7

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)									
EPS	34.5	31.7	10.1	49.3	91.5	36.1	30.7	49.0	61.6
Cash EPS	56.8	57.8	39.9	81.0	126.5	74.6	73.8	93.5	107.5
BV/Share	484.3	506.1	560.8	716.3	773.9	872.8	888.6	921.6	967.1
DPS	12.5	11.0	10.0	12.5	17.5	15.0	15.0	16.0	16.0
Payout (%)	42.0	42.7	122.3	31.7	19.2	135.5	48.8	32.6	26.0
Valuation (x)									
P/E	31.1	33.9	106.7	21.8	11.7	29.7	34.9	21.9	17.4
Cash P/E	18.9	18.6	26.9	13.3	8.5	14.4	14.6	11.5	10.0
P/BV	2.2	2.1	1.9	1.5	1.4	1.2	1.2	1.2	1.1
EV/Sales	3.1	3.1	3.2	2.6	1.9	2.1	2.1	1.8	1.6
EV/EBITDA	18.1	16.5	21.4	14.2	8.5	11.4	12.9	9.7	8.3
Dividend Yield (%)	1.2	1.0	0.9	1.2	1.6	1.4	1.4	1.5	1.5
FCF per share	19.7	-16.3	45.0	-29.7	9.5	37.7	45.1	93.8	91.7
Return Ratios (%)									
RoE	7.5	6.4	1.9	7.7	12.3	4.4	3.5	5.4	6.5
RoCE	7.2	6.7	3.1	6.1	11.0	4.0	4.3	6.1	7.1
Core RoCE	11.2	10.5	5.1	10.2	17.7	6.7	7.4	10.8	12.9
RoIC	6.9	7.0	3.2	7.4	14.5	5.1	5.1	7.6	9.0
Working Capital Ratios									
Fixed Asset Turnover (x)	0.7	0.6	0.6	0.7	0.8	0.7	0.6	0.7	0.7
Asset Turnover (x)	0.5	0.5	0.4	0.4	0.6	0.5	0.5	0.5	0.6
Inventory (Days)	315	347	257	317	282	341	320	300	290
Debtor (Days)	51	56	50	56	57	45	53	50	50
Creditor (Days)	269	302	256	338	289	320	300	290	290
Leverage Ratio (x)									
Current Ratio	1.7	1.5	1.4	1.5	1.3	1.3	1.4	1.3	1.4
Interest Cover Ratio	3.4	3.8	2.0	4.9	7.2	3.5	2.9	5.6	10.1
Net Debt/Equity	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.0
	97	100							

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	17.3	12.5	6.1	14.5	27.4	16.2	11.9	18.9	23.6
Depreciation	5.7	6.7	7.6	8.1	8.9	9.8	11.0	11.3	11.7
Interest & Finance Charges	3.7	0.3	1.3	0.5	1.9	2.4	2.2	1.2	-0.2
Direct Taxes Paid	-4.8	-2.2	-2.0	-2.7	-4.1	-3.8	-3.4	-4.6	-5.8
(Inc)/Dec in WC	-2.1	0.5	7.3	-6.1	-6.8	8.4	-4.0	3.1	0.2
CF from Operations	19.7	17.8	20.4	14.3	27.4	33.1	17.7	30.0	29.5
Others	-3.9	0.0	0.0	-0.3	2.4	-7.9	1.8	0.9	0.9
CF from Operating incl EO	15.8	17.8	20.4	14.1	29.7	25.2	19.5	30.9	30.4
(Inc)/Dec in FA	-10.8	-22.0	-8.9	-21.6	-27.3	-15.6	-8.0	-7.0	-7.0
Free Cash Flow	5.0	-4.2	11.5	-7.6	2.4	9.6	11.5	23.9	23.4
(Pur)/Sale of Investments	-19.7	13.4	-15.6	-18.7	2.0	-22.8	0.0	0.0	0.0
Others	10.9	-15.1	13.2	31.9	11.1	32.3	2.6	2.3	2.5
CF from Investments	-19.6	-23.7	-11.3	-8.4	-14.3	-6.1	-5.4	-4.7	-4.5
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	-5.7	12.6	-7.7	0.9	-7.3	-7.3	-0.7	-14.6	-14.4
Interest Paid	-2.9	-3.4	-3.7	-3.0	-4.1	-5.3	-4.8	-3.6	-2.3
Dividend Paid	-6.7	-3.4	-3.1	-3.9	-4.5	-3.8	-3.8	-4.1	-4.1
Others	-6.2	1.4	-1.3	-0.7	-6.1	-2.8	-2.5	-2.7	-3.0
CF from Fin. Activity	-21.5	7.2	-15.8	-6.7	-21.9	-19.3	-11.8	-25.0	-23.8
Inc/Dec of Cash	-25.3	1.3	-6.7	-1.0	-6.5	-0.2	2.3	1.2	2.1
Opening Balance	44.8	19.5	20.8	14.1	13.1	6.7	6.4	8.8	10.0
Closing Balance	19.5	20.8	14.1	13.1	6.7	6.4	8.8	10.0	12.1

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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/NCDX); 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.